

NOMINATION AND REMUNERATION POLICY

Deepak Mining Solutions Limited

NOMINATION AND REMUNERATION POLICY

1. Introduction

The Nomination and Remuneration Policy ("Policy") of the Company has been formulated in accordance with the provisions of Companies Act, 2013 and sets out the criteria to pay remuneration to the Directors, Key Managerial Personnel (KMP) and Senior Management Personnel of the Company.

2. Objective and Scope

The Key Objectives and scope of the Nomination & Remuneration Committee would be:

- a) To formulate the criteria for determining qualifications and positive attributes for appointment and removal of a director.
- b) To recommend to the Board a policy, relating to the remuneration for the directors, Key Managerial Personnel and Senior Management Personnel which involves a balance between the fixed and incentive pay reflecting short- term and long-term objectives appropriate to the working of the Company and its goals.

3. Definitions

"**Act**" means Companies Act, 2013 and rules thereunder.

"**Board**" means Board of Directors of Deepak Mining Solutions Limited ("DMSL" or "the Company")

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"Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

"Company" means Deepak Mining Solutions Limited ("DMSL").

"Independent Director" means a Director of the Company, not being in whole time employment and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies the criteria for independence as prescribed under Section 149 of the Companies Act, 2013.

"Key Managerial Personnel" means Key managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) Managing Director or Executive Director or Chief Executive Officer or Manager
- (ii) Whole-time Director
- (iii) Company Secretary
- (iv) Chief Financial Officer; and
- (v) such other officer as may be prescribed.

"Policy" means Nomination and Remuneration Policy.

"Senior Management" means personnel of the Company who are members of its core management team (Internal Board) excluding the Board of Directors.

4. Functions of Committee:

The Nomination and Remuneration Committee shall, inter-alia, perform the following functions:

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- a. Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- b. To recommend to the Board a policy for following:
 - (i) Determining qualifications, positive attributes and independence of a director.
 - (ii) Remuneration for the Directors, Key Managerial Personnel and Senior Management.
 - (iii) Remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
 - (iv) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - (v) Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
 - (vi) Performance evaluation of Independent Directors and the Board

The Chairperson of the Nomination and Remuneration Committee or, in his absence, any other member of the committee authorised by the Chairperson in this behalf shall attend the general meetings of the Company.

Provided that Nomination and Remuneration Committee shall set up mechanism to carry out its functions and is further authorised to delegate any/ all of its powers to any of the Directors and / or officers of the Company, as deemed necessary for proper and expeditious execution.

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5. Membership

- (i) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- (ii) The quorum shall be either two members or one third of the members of the Committee whichever is higher
- (iii) Membership of the Committee shall be disclosed in the Annual Report.
- (iv) Term of the Committee shall be continued unless terminated by the Board of Directors.

6. Chairperson

- (i) Chairperson of the Committee shall be an Independent Director.
- (ii) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- (iii) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

7. Frequency of Meeting

The meeting of the Committee shall be held at such regular intervals as may be required.

8. Secretary

The Company Secretary of the Company shall act as Secretary of the Committee.

9. Minutes of Committee Meeting

Proceedings of all meetings shall be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meetings.

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10. Policy for appointment and removal of Director Key Managerial Personnel ("KMP") and Senior Management Personnel ("SMP")

(A) Appointment criteria and qualifications for Director, KMP and SMP

- (i) The Committee shall identify and ascertain the integrity, qualification, expertise, positive attributes and experience of the person for appointment as Director and recommend to the Board his / her appointment.
- (ii) The President (HR) of the Company / Holding Company, Deepak Fertilisers and Petrochemicals Corporate Limited, under the overall superintendence and control of the Chairman, will undertake the process of appointment of KMP and/ or SMP based on the roles and responsibilities of the position, the skill sets, attributes, seniority, experience and such other parameters required.
- (iii) Upon finalisation of appointment of a person for the position of KMP and/ or SMP by the Chairman of the Company and the acceptance of the offer by the candidate, the same shall be put up to the Committee and the Board for its confirmation post which the letter of appointment shall be issued to KMP and/ or SMP, as the case may be.

(B) Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act and Rules thereunder, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director and/ or the KMP subject to the provisions and compliance of the applicable Acts and Rules. Further, the decision to remove the SMP shall be taken by the Board.

(C) Retirement

The Director, KMP and SMP shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. While the Board will have the discretion to retain the Director, the discretion to retain KMP and/or SMP in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company shall vest with the Chairman of the Company.

11. Policy relating to the Remuneration

(A) General -for the Whole time Director:

- (i) The remuneration / compensation / commission etc. shall be subject to the prior/ post approval of the shareholders of the Company, if required.
- (ii) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the provisions of the Act.
- (iii) Term / Tenure of the Directors shall be as per the Company's policy and subject to the provisions of the Act.

(B) Remuneration to Whole-time/ Executive/ Managing Director:

- (i) Fixed pay:

The Whole-time Director shall be eligible for a monthly remuneration as may be approved by the Board. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board and approved by the shareholders, if required.

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(ii) Commission

Commission may be paid within the limits approved by shareholders.

(iii) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act.

(iv) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without approval required under section 197 of the Companies Act, 2013, he/ she shall refund such sums to the Company within two years or such lesser period as may be allowed by the Company, and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless approved by the company by special resolution within two years from the date the sum becomes refundable.

(C) Remuneration to Non- Executive/ Independent Director:

(i) Remuneration/ Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Act.

(ii) Sitting Fees:

The Non- Executive/ Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

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Provided that the amount of such fees shall be decided by the Board and subject to the limit as provided in the Act.

(iii) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

(D) Remuneration to Key Managerial Personnel (KMP) and Senior Management Personnel (SMP):

The remuneration of KMP and SMP shall be determined by the management of the Company as per their roles and responsibilities in the organization, skill sets, seniority, experience, the last drawn remuneration and prevailing remuneration for equivalent jobs.

Broadly, the remuneration structure of *KMP* and *SMP* shall include the following components:

- (i) Basic pay
- (ii) HRA
- (iii) Allowances
- (iv) Perquisites and Benefits
- (v) Retiral benefits
- (vi) Performance Bonus i.e. incentive pay on the basis of the performance of the KMPs and SMPs.

with liberty to the management to allocate the amounts towards various salary components subject to there being no change in the overall Cost to the Company.

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12. Amendments

This Policy may be amended by the Board at any time and is subject to amendments to the Companies Act, 2013 (the Act 2013).

For Deepak Mining Solutions Limited



Sailesh C. Mehta

Chairman

29th July 2024

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