

# PS IT Infrastructure & Services Limited

## POLICY FOR NOMINATION AND REMUNERATION

### **Preamble**

PS IT Infrastructure & Services Limited ("Company") is committed to attracting, retaining, and motivating a talented workforce to drive its growth and success. This Nomination and Remuneration Policy ("Policy") provides a clear framework for the selection, appointment, and remuneration of Directors, Key Managerial Personnel ("KMP"), and Senior Managerial Person ("SMP") and such other employees as deemed fit by the Nomination and Remuneration Committee ("Committee").

The Policy ensures that the Company's remuneration practices are aligned with its business goals, regulatory & Contemporary requirements, and long-term sustainability. It aims to promote fairness, transparency, and accountability, fostering an environment where performance and potential are recognized and rewarded appropriately.

### **Preface**

The Policy has been formulated by the Committee in terms of the relevant provisions of the Companies Act, 2013 ("Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and has been approved by the Board of Directors ("Board") of the Company on February 11, 2025.

### **Purpose**

To set standards, processes and criteria for the determination and disclosure of material events and information to the stock exchanges in compliance with applicable law. This Policy shall be applicable on matters related to Directors, KMPs, SMPs and other employees of the Company.

### **Objectives**

The objective of this Policy is:

- a. Ensure fair and transparent selection: To establish clear and fair process of nomination and selection of directors, KMPs and SMPs, aligned with the Company's goals and regulatory requirements;
- b. Align remuneration with performance: To create a remuneration framework that rewards performance, encourages retention, and is aligned with the long-term

interests and growth objectives of the Company is likely to result in significant market reaction if the said omission came to light at a later date;

- c. Promote equity and accountability: To foster a culture of accountability by ensuring that the compensation structure is equitable, competitive, and reflects individual contributions to the Company's success.
- d. Compliance with regulatory standards: To comply with applicable legal and regulatory requirements, ensuring that the Company's nomination and remuneration practices meet

### **Definitions**

Unless otherwise expressly provided, the below words have the meaning ascertained herein:

"Act" means the Companies Act, 2013 and the rules framed thereunder, as amended from time to time; "Board" means the board of directors of the Company;

"Committee" means the Nomination and Remuneration Committee duly constituted (or reconstituted/substituted/altered) by the Board of the Company under the provisions of SEBI Listing Regulations and the Act, as amended from time to time;

"Company" means PS IT Infrastructure & Services Limited;

"Director" means the director of the Company, as appointed from time to time, by whatever name called;

"Independent Director" means a Director who satisfies the criteria and conditions laid down in the Act and SEBI Listing Regulations and appointed as such;

"Key Managerial Person (KMP)" has the same meaning as assigned under Section 2(51) of the Act; "Member" means the member of the Committee;

"Policy" means this Nomination and Remuneration Policy;

"SEBI Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;

"Senior Managerial Person (SMP)" shall have the meaning assigned to the said term in regulation 16(1)(d) of the SEBI Listing Regulations and section 178 of the Act;

Unless the context otherwise requires, words and expressions used in this Policy but not defined herein shall have the same meaning as assigned to them in the Act and/or SEBI Listing Regulations

### **Constitution of the Committee**

- a. The Committee shall consist of minimum three (3) non-executive directors as members, out of which atleast two-third shall be Independent Directors
- b. The Chairman of the Committee shall be an Independent Director;
- c. The Chairman of the Board may be nominated as the Member of the Committee but shall not chair the Committee;
- d. The Committee shall meet at least once in every year
- e. The Chairman of the Committee or in his/her absence, any other Member of the Committee authorized by him/her in this behalf, may attend the annual general meeting of the Company, to answer the queries of the shareholders, however, it shall be up to the chairman to decide who shall answer the questions on the matters related to the Committee and/or this Policy.

### **Role of the Committee**

The role the Committee shall include the following:

- a. The Committee shall identify persons who are qualified to become the Directors, KMPs, SMPs, in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- b. The Committee shall formulate the criteria for determining qualifications, positive attributes and independence of the proposed Independent Directors and recommend to the Board the appointment of Independent Directors and removal (whenever required);
- c. For every appointment of Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board on the basis such evaluation, prepare a description of the roles and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - use the service of an external agency, if required;
  - consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - consider the commitments of the candidates.
- d. The Committee shall specify and recommend to the Board, the manner of effective evaluation of performance of the Board, its Committees and individual directors to be carried out either by the Board, by the Committee or by an Independent external agency; and review its implementation and compliance. It shall also determine and recommend to the Board whether to extend or continue the term of appointment of Independent Directors based on their evaluation;

- e. The Committee shall periodically formulate the criteria for determining, qualifications, positive attributes and independence of Directors;
- f. To define the diversity policy applicable for the Board;
- g. To recommend to the Board the remuneration of the Directors, KMPs, SMPs;
- h. The Committee shall ensure that the remuneration policy of the Company meets the following criteria:
  - The level and composition of remuneration is reasonable and sufficient to attract, retain, and motivate the Directors of quality required to run the Company successfully;
  - Relationship of remuneration to performance is clear, and meets appropriate performance aligned to the budget approved by the board.
  - Remuneration should be a balance between fixed and incentive pay; reflecting short-term and long-term performance objectives, appropriate for the Company.

#### **Appointment and removal of Directors (including Independent Directors) / KMPs/SMPs**

##### **Appointment of Directors (other than Independent Directors)**

- a. For a person to be appointed as a Director, it is envisaged that (a) a person should have attained the age of thirty-five (35) years and maximum age shall not exceed such age as per the policy of DIC India, subject to compliance with the applicable provisions of the Act and SEBI Listing Regulations; (b) minimum be a graduate in any discipline; (c) be able to contribute positively to the deliberations at the Board or committee meetings, as the case may be. Board of the Company should not have less than 6 directors.
- b. A person, to be to be appointed as a Director, should possess impeccable reputation for integrity, personal and professional ethics, deep expertise and insights in areas relevant for the Company, ability to contribute to the Company's growth, complementary skills in relation to the other Board members and must not hold the office of a director in more than 10 (ten) Indian companies subject to the maximum number of directorships as prescribed in the Act.
- c. In making recommendations for appointment to the Board, the Committee shall ensure that the concerned persons represent diversity of gender, thought, experience, knowledge and perspective and have diverse qualifications, experience and exposure in areas including but not limited to finance, human relations, marketing, engineering, management, etc.
- d. It shall be necessary to have at least 1 (one) woman Director and at least 1 (one) Director who has been a resident of India in the previous financial year on the Board in terms of the provisions of the Act.
- e. In terms of SEBI Listing Regulations, in case the appointment or the renewal of the term of non- executive director who has attained the age of seventy-five years, is made, it shall be

approved by the shareholders of the company to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

#### **Appointment of Independent Directors**

- a. At least one third of the Board shall comprise of Independent Directors, where the Chairman of the Board is a non- executive Director. However, where the Chairman of the Board is an executive Director, then at least one half of the Board shall comprise Independent Directors.
- b. The criteria for determining the independence of an Independent Director would be as per the provisions of the Act and the SEBI Listing Regulations and the Company shall re-assess the independence of such persons when any new interests or relationships are disclosed.
- c. The Independent Director must possess appropriate skills, experience, knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.
- d. For a person being appointed as Independent Director (except in case of Chairman of the Board) the maximum age should not exceed 70 (seventy years). The maximum age in case of Chairman (being an Independent Director) should not exceed 75 (seventy five) years.
- e. A person shall not serve as an independent director in more than 7 (seven) listed companies.

However, notwithstanding the above, any person who is serving as a whole-time director /managing director may not serve in any listed company.

#### **Appointment of KMPs, SMPs and other employees**

- a. For being appointed as a managing director or a whole-time director or a manager of the Company, the minimum age of a person must be above 35 (thirty five) years and the maximum age should be 70 (Seventy) years.
- b. For the post of Key Managerial Personnel and Senior Managerial Personnel, the Human Resources Department of the company shall lay down the minimum qualifications and desired experience criteria for each post. Such criteria shall also meet the statutory requirements wherever applicable. The Human Resource Department would also keep in view the age profile of existing personnel and also the succession plan while identifying the suitable persons as KMP /SMP.
- c. Prior to being employed as a Key Managerial Personnel or Senior Managerial Personnel in the Company, a person should clear the evaluation interview as per Company's policy.
- d. The Human Resource Department of the Company shall be responsible for the appointment, evaluation of the performance and remuneration of all other employees other than KMPs/SMPs. The performance evaluation and remuneration of KMPs/SMPs shall be presented before the Committee for its approval.

### **Terms of appointment**

#### **Managing Director/Manager/Whole Time Director**

The Company shall appoint or re-appoint any person as its managing director or whole-time director for one term of 5 years and the person shall be subject to re-appointment as per the provisions of the Act and SEBI Listing Regulations. No reappointment shall be made earlier than 1 (one) year before the expiry of the term.

#### **Independent Director**

- a. An Independent Director shall hold office for a period of 3 years, but shall be eligible for re-appointment based on their evaluation of performance and on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- b. No Independent Director shall hold office for more than 2 (two) consecutive terms subject to the fulfilment of the criteria of independence.

### **Retirement**

Except for Directors whose office is liable to determination by rotation, all the other Directors, Key Managerial Personnel and Senior Managerial personnel (other than the managing director, whole time director or manager of the Company) shall retire as per the employment rules of the Company. However, the Board shall have the discretion to retain any such person even after the attainment of the retirement age in the best interests of the Company and in compliance with applicable laws.

### **Removal**

Any Director/KMP/SMP may be removed from their role/services of the Company due to any disqualification arising under the provisions of the Act or under any other applicable law, violation of the Company's policies (including its Code of Conduct) or violation of such person's terms of appointment, as the case may be and/or because of loss of trust and confidence on such Director/KMP/SMP, in his/her abilities to perform duties in line with the Company's expectations.

### **Evaluation**

#### **Evaluation of Board as a whole**

The performance of the Board shall be evaluated on the basis of following criteria:

- a. Structure of the Board with specific reference to the competency, experience of Directors, mix of qualifications, diversity in the Board etc.

- b. Meetings of the Board with respect to regularity, frequency, logistics, discussions at the meetings, etc.;
- c. Fulfillment of the functions of the Board specified under the Act and the SEBI Listing Regulations such as evaluation of performance of other directors, evaluation of risk, grievance redressal for investors, conflict of interest, stakeholder value and responsibilities, etc.
- d. Evaluation of performance of the management by the Board, independence of the management from the Board, etc.

#### **Evaluation of Committees**

The performance of various committees of the Board shall be evaluated on the basis of following criteria:

- a. Clearly defined mandate and composition in accordance with the law.
- b. Effectiveness in fulfillment of functions as assigned by the Board and laws as may be applicable.
- c. Meetings of the committee with respect to inter-alia regularity, frequency, logistics, discussions at such meetings.
- d. Independence of the Committee from the Board; and
- e. Contribution of the Committee to the decisions of the Board

#### **Evaluation of Directors**

The performance of Directors and Independent Directors shall be evaluated on the basis of the following criteria:

- a. attendance at Board meetings and committee meetings;
- b. preparedness and level of participation in Board meetings;
- c. expression of views in free, frank and an independent manner;
- d. participative discussions with management team when desired;
- e. for Managing Directors-their business performance as against laid out targets and business policies/ plans;
- f. for Managing Director-their strategic contribution towards business sustenance and growth.

#### **Evaluation of KMPs and SMPs**

The performance of the Key Managerial (other than Managing and Whole-time Directors) and Senior Managerial personnel will be evaluated on the basis of key performance areas which shall be finalized by Company's human resources department in association with the concerned

official. The evaluation shall be done as decided by the HR guidelines but at a minimum on an annual basis. However, in exceptional cases the evaluation of performance may also be undertaken at shorter intervals. The Company may engage the services of a professional for advising it on the process of evaluation of such personnel.

### **Remuneration Policy**

#### **Remuneration of Managing Director/Whole Time Director**

- a. The remuneration/compensation/profit-linked commission etc. to a Managing Director/Whole Time Director will be recommended by the Committee and approved by the Board and the shareholders (wherever required), which shall be in accordance with the percentage/slabs/conditions laid in the Act and/or SEBI Listing Regulations and shall be subject to the approval of the shareholders and central government, wherever required.
- b. In case of no/inadequate profits, the Company shall pay the remuneration to its Managing Director/Whole Time Director, in accordance with the provisions of schedule V of the Act and if it is not able to comply with the said provisions, with the prior approval of such authority as prescribed under the Act.
- c. Increments to Managing Director/Whole Time Director should be as approved by the Board and shareholders (wherever required) on the recommendation the Committee.

#### **Remuneration to Directors other than Managing Director/Whole Time director**

The remuneration (including commission) payable to Directors who are neither Managing directors nor Whole-time Directors shall not exceed the limits prescribed under the Act. The percentage aforesaid shall be exclusive of any fee for attending the meetings of the Board or Committee thereof or remuneration of services rendered by any such Director in other capacity if the services rendered are of a professional nature.

Only the resident non-executive directors shall be paid with the sitting fees for attending the meetings of the Board and/or committees and no sitting fees to be paid to the non-resident non-executive director. The quantum of sitting fees will be determined as per the recommendations of the Committee and approved by the Board.

#### **Remuneration for Key Managerial Personnel and Senior Managerial Personnel**

The remuneration payable to the KMPs (other than Managing Director/Whole Time Director) and the SMPs shall be within the limits prescribed under the Act, if any, and fixed based on (a) their experience and qualifications; and (b) annual compensation surveys, followed by industry benchmarks, position benchmarks, performance benchmarks, comparative, and percentile position analysis and company's position and ability to pay Annual increments will be based on such personnel's annual performance results and his/ her potential to grow into the next role.



The Chief Executive Officer of the Company will make organization wise annual presentation(s) before the Committee which would have requisite details setting out the proposed performance payout for the KMPs/SMPs basis the Company's internal policy for evaluation and the balance score card defined for KMPs/SMPs and other employees for the current financial years as well as the proposed increments for the next financial year. The Committee shall peruse and approve the same unless required under relevant regulations, to recommend the same to the Board and/or shareholder, if required.

If the remuneration of KMPs or any other officer is to be specifically approved by the Committee and/or the Board under any regulations, then such approval will be procured accordingly.

### **Stock Options**

The Directors and employees shall not be entitled to any Stock Option of the Company.

### **General**

In case of any subsequent changes to the Act or the SEBI Listing Regulations which make any of the provisions of the Policy inconsistent with the Act or the SEBI Listing Regulations, as the case maybe, the provisions of the Act and the SEBI Listing Regulations would prevail over the Policy and the provisions of the Policy would be modified in due course to make it consistent with applicable law.

If there is deviation from this Policy, shall be recorded with reason in the minutes of the Committee and Board meeting.

The Policy shall be reviewed by the Committee as and when deemed appropriate by it. Any changes or modifications in the Policy, as recommended by the Committee, would be given for approval to the Board. The policy shall be placed on the website of the Company.