

DREDGING CORPORATION OF INDIA LIMITED
(CIN NO. L29222DL1976PLC008129)



REMUNERATION POLICY

REGISTERED OFFICE

Core: 2, 1st Floor, "SCOPE MINAR"
Plot No. 2A & 2B, Laxminagar District Centre,
Delhi - 110 092.

HEAD OFFICE

"DREDGE HOUSE", Port Area,
Visakhapatnam - 530 001.

**APPROVED BY THE BOARD IN ITS 364th BOARD MEETING HELD ON
13.08.2025 VIDE AGENDA ITEM NO 364/13**

**DREDGING CORPORATION OF INDIA LIMITED
VISA KHAPATNAM**

**POLICY ON APPOINTMENT AND REMUNERATION FOR DIRECTORS, KEY
MANAGERIAL PERSONNEL, AND SENIOR MANAGEMENT EMPLOYEES**

INTRODUCTION

Dredging Corporation of India Limited ('the Company') ("DCI") is a public limited company incorporated on March 29th, 1976, under the Companies Act, 1956 (Corporate Identity Number L29222DL1976PLC008129).

Activities undertaken by the company

- a) Capital Dredging
- b) Maintenance Dredging
- c) Beach Nourishment
- d) Land Reclamation
- e) Shallow water Dredging
- f) Project Management Consultancy
- g) Marine Construction

The equity shares of the Company listed on the BSE & NSE as such the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI(LODR)") and further amendments thereof w.r.t. stock exchanges for its various listed securities, are applicable and binding on it.

KEY PRINCIPLES OF THE REMUNERATION POLICY

The following set of principles act as guiding factors:

- Align remuneration with the long-term interests of the Company and its shareholders.
- Minimize complexity and ensure transparency.
- Link to annual business performance of the company
- Promote a culture of meritocracy and is linked to key performance and business drivers
- Reflective of market competitiveness so as to attract the best talent.

OBJECTIVE AND PURPOSE OF THE REMUNERATION POLICY:

- In the case of whole-time directors, to formulate broad criteria for determining qualifications, positive attributes etc.
- In the case of independent directors, to formulate broad criteria for determining qualifications, positive attributes and independence of a director based on the provisions of the Companies Act, 2013

DEFINITIONS

- 'Act' means the Companies Act, 2013 and 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.
- 'Company' means Dredging Corporation Of India Limited.
- 'Directors' means members of the Board.
- "Employees" mean all the employees other than the Directors of the Company
- 'Key Managerial Personnel' or 'KMP' means;
 - i. The Chief Executive Officer or the Managing Director or the Manager;
 - ii. The Company Secretary;
 - iii. The Whole-time Director;
 - iv. The Chief Financial Officer; and
 - v. Such other officer as may be prescribed
- 'Officers' or 'Executives' mean the permanent employees of the Company who are in grade E1 to E8.
- 'Senior Management' mean personnel of the Company who are members of its core management team excluding the Board comprising all members of management at one level below the whole-time directors, including the functional heads in the existing E8 grade of the Company.
- 'Independent Directors' means a director referred to in Section 149 (6) of the Act

REMUNERATION COMMITTEE

- The Committee shall comprise three or more non-executive directors out of which not less than one-half shall be independent director;
- Chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.
- The Company Secretary of the Company shall act as secretary to the Committee;
- Terms of reference of the Committee shall be continued unless terminated by the Board;
- In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.

ROLES AND RESPONSIBILITIES OF THE COMMITTEE:

- Decide on the annual bonus / performance pay / variable pay pool and policy for its distribution across the executives and non-executives of the company in accordance with guidelines / directions of the Govt. of India
- Exercising such other roles assigned to it by the provisions any laws and their amendments from time to time.

EXECUTIVE DIRECTOR

The Executive Director shall be appointed by the Board of the Company upon recommendation of the Nomination and Remuneration Committee. The remuneration of the Executive Director shall be as approved by the Board and shall be subject to the approval of the members of the Company at a General Meeting.

NON-EXECUTIVE DIRECTORS:

Presently, as per Articles of Association of the Company, any remuneration / sitting fees to Non-Executive Directors is not payable. In future and subject to applicable regulations, the Committee may recommend for payment of sitting fees to the Non-executive Directors. The quantum of sitting fees will be determined as per the recommendation of the Committee and approved by the Board of Directors of the Company.

INDEPENDENT DIRECTORS:

For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role 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:

- a) use the services of an external agencies, if required
- b) consider candidates from a wide range of backgrounds, having due regard to diversity in terms of the Board Diversity Policy of the Company
- c) consider the time commitments of the candidates.

SEPARATE MEETING OF INDEPENDENT DIRECTORS:

- a) The independent directors of the company shall hold at least two meeting in a year, without the attendance of non-independent directors and members of the management, to review the performance of Board as a whole, considering the views of executive directors and non-executive directors;
- b) All the independent directors of the company shall strive to be present at such meeting.
- c) The meeting shall assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

REMUNERATION OF INDEPENDENT DIRECTORS

The remuneration to Independent Directors is paid by the way of sitting fee of Rs.20000 (Twenty Thousand Only) per meeting for attending Board of Directors meeting and Committees meetings thereof. The sitting fee is being paid to Independent Directors within the ceiling limit prescribed under Section 197 (5) read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

An independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director, it should be ensured that,

- (i) number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director; and
- (ii) three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company or such prescribed period by the Statutory/Regulatory Authorities from time to time.

EVALUATION

The Committee shall carry out evaluation of performance of every Director, Key Management and Senior Management Personnel at regular intervals (yearly).

DISQUALIFICATIONS FOR APPOINTMENT OF DIRECTORS

Pursuant to section 164 of the Companies Act, 2013, a person shall not be eligible for appointment as a director of a company if:

- (a) he is of unsound mind and stands so declared by a competent court;
- (b) he is an undischarged insolvent;
- (c) he has applied to be adjudicated as an insolvent and his application is pending;
- (d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:
Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;
- (e) an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;

- (f) he has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
- (g) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
- (h) he has not complied with sub-section (3) of section 152.

REMOVAL

The Committee may recommend to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

REMUNERATION TO WHOLE-TIME / EXECUTIVE / MANAGING DIRECTOR

The salary and /or allowances and PRP (“Performance related Pay”) (based on performance of the Company and Individual) of the Whole Time Directors are as per the Company’s guidelines and / or as may be approved by the Committee

The Whole-time Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The Whole-time Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus 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 on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders of the Company on the recommendation of the Committee and the Board of Directors, wherever required.

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 the Companies Act, 2013 and if it is not able to comply with such provisions, then with the previous approval of the Central Government.

OVERALL MAXIMUM MANAGERIAL REMUNERATION AND MANAGERIAL REMUNERATION IN CASE OF ABSENCE OR INADEQUACY OF PROFITS

The total managerial remuneration payable by a public company, to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven per cent (11%). of the net profits of that company for that financial year computed in the manner laid down in section 198 except that the remuneration of the directors shall not be deducted from the gross profits. The company in general meeting may, with the approval of the Central Government, authorise the payment of remuneration exceeding eleven per cent. of the net profits of the company, subject to the provisions of Schedule V of the Companies Act 2013.

REMUNERATION TO KMPs, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES

The KMPs, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's compensation guidelines and / or as may be approved by the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, etc. shall be as per the Company's schemes and applicability.

This Remuneration Policy shall apply to all future / continuing employment / engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board. Any departure from the policy shall be recorded and reasoned in the Committee and Board meeting minutes.

The remuneration for KMPs and Senior Managerial Personnel and other employees of the Company shall be approved by the Committee based on the org-wide recommendation / presentation by the Principal – HR and / or the Chief Executive Officer of the Company. In case any of the relevant regulations require that remuneration of KMPs or any other officer is to be specifically approved by the Committee and / or the Board of Directors then such approval will be accordingly procured.

REMUNERATION OF EMPLOYEES

The remuneration and compensation be paid to the employees, on monthly basis as per the Company's guidelines and / or as may be approved by the Committee from time to time. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, etc. shall be as per the Company's schemes and applicability. The variable payment which is related to performance will be decided by the Committee and as per the recommendations the Board.

PREMIUM ON INSURANCE POLICY

Any insurance is taken by the Company on behalf of its Directors, Key Managerial Personnel and any other employees for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company, the premium paid on such insurance shall not be treated as part of the remuneration.

DISCLOSURE(S) IN BOARD'S REPORT

Unless otherwise provided under the Regulations, the following disclosures shall form part of Annual Report of the Company by way of Board's report (wherever applicable):

- ❖ The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year

- ❖ The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year
- ❖ The percentage increase in the median remuneration of employees in the financial year
- ❖ The number of permanent employees on the rolls of Company
- ❖ Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year
- ❖ Affirmation that the remuneration is as per the remuneration policy of the Company

POLICY IMPLEMENTATION

The Policy shall be effective from the date of approval by the Board, unless specified otherwise.

AMENDMENT(S)

In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law.

This Policy shall be reviewed by the Committee as and when any notification or amendments are notified by the regulatory authorities affecting the policy formed hereinabove. Any changes or modifications in the Policy as recommended by the Committee would be submitted for approval of the Board of Directors.
