



MILESTONE GEARS LIMITED

(Formerly known as Milestone Gears Private Limited)

NOMINATION AND REMUNERATION POLICY

1. INTRODUCTION:

This Nomination & Remuneration Policy ("**Policy**") of **Milestone Gears Limited** ("**the Company**") is formulated under the Companies Act, 2013 ("**Act**") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("**Listing Regulations**") and other applicable laws (hereinafter referred to as the "**Applicable Laws**").

2. OBJECTIVE AND PURPOSE:

The objectives and purpose of this Policy are:

- a. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (Whole-time/non-executive/ independent) of the Company ("**Director**");
- b. To recommend candidates for appointment as Directors, Key Managerial Personnel (KMPs) and Senior Management;
- c. To establish and review Succession Plans of the Board of Directors of the Company ("**Board**"), KMP and Senior Management;
- d. To recommend policy relating to appointment and removal of Directors, KMPs and Senior Management.
- e. To recommend policy relating to the remuneration of the Directors, KMPs and Senior Management/ other employees to the Board;
- f. To review and approve corporate goals and objectives relevant to the compensation of the whole-time directors, evaluating their performance in light of those goals and objectives and either as a committee or together with the other independent Directors (as directed by the Board),
- g. To determine and approve whole-time Directors' compensation based on this evaluation; making recommendations to the Board with respect to KMP and Senior Management compensation and recommending incentive-compensation and equity-based plans that are subject to approval of the Board.

3. DEFINITIONS:

- a. '**Board**' means Board of Directors of the Company.
- b. '**Directors**' means directors of the Company.
- c. '**Committee**' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.



- d. **'Company'** means **Milestone Gears Limited**.
- e. **'Independent Director'** means a director referred to in Section 149(6) of the Act and rules thereunder, and Listing Regulations.
- f. **Key Managerial Personnel ('KMP')** means following people, which includes people identified by the Company under provisions of the Act:
 - i) Managing Director or Chief Executive Officer or Manager
 - ii) Whole-time Director/Executive Director
 - iii) Company Secretary;
 - iv) Chief Financial Officer; and
 - v) any other person as defined under the Act from time to time
- g. **Senior Management** means officers/personnel of the Company and includes;
 - i) Key Managerial Personnel (KMPs)
 - ii) One Level Below the Chief Executive Officer and Managing Director who are members of the core management and functional heads
 - iii) any other officer as determined by the Committee and the Board from time to time.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act and Listing Regulations as may be amended from time to time shall have the same meaning respectively assigned to them therein.

CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE AND FORMULATION OF POLICY:

The Board has constituted the Nomination and Remuneration Committee ("Committee") of the Board on September 30, 2025. The composition of the Committee is in line with under Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

- a. The constitution of the Company shall be as follows:
 - The Committee shall comprise of at least three Directors.
 - All Directors part of the Committee shall be non-executive directors of the Company; and
 - At least two-thirds of the Directors' part of the Committee shall be Independent Directors.
- b. The chairperson of the Committee shall be an Independent Director, provided that the chairperson of the Company shall not be the chairperson of the Committee.
- c. The quorum of the Committee shall be at least two members, or one-third of the total members of the Committee, whichever is higher, including at least one Independent Director.
- d. The Committee shall meet at least once in a financial year.
- e. The Board shall have the authority to reconstitute this Committee from time to time.



- f. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee."

4. RESPONSIBILITY OF THE COMMITTEE:

The Committee is responsible for:

- a. Formulating criteria for determining qualifications, positive attributes and independence of a director for the purpose of this Policy;
- b. Advising the Board on issues concerning principles for remuneration and other terms of employment including remuneration for the Directors (including non-executive directors), KMPs and the Senior Management;
- c. Monitoring and evaluating programs for variable remuneration, both on- going and those that have ended during the year, for the Directors (including Non-Executive Directors), KMPs and the Senior Management;
- d. Monitoring and evaluating the application of this Policy;
- e. Monitoring and evaluating current remuneration structures and levels in the Company; and
- f. Any other responsibility as determined by the Board.

5. ROLE OF NOMINATION AND REMUNERATION COMMITTEE:

The Board of Directors has entrusted the following responsibilities to the Committee:

- a) Identification of persons who are qualified to become directors and KMP and persons who may be appointed in senior management positions in accordance with the criteria laid down
- b) Recommend to the Board the appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- c) Formulate the criteria for determining the qualifications, positive attributes and independence of a director
- d) Formulation of criteria/Framework for evaluation of Independent Director and the Board
- e) Evaluate the performance of the members of the Board & Committees and provide necessary report to the Board for further evaluation of the Board & Committees.
- f) Devising a policy on Board diversity;
Recommend to the Board the remuneration payable to the Senior Management. Review of succession planning done by the management.
- g) A member of the Committee is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/her performance is being evaluated. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee."



6. RULES FOR IDENTIFICATION OF DIRECTORS, KMP AND SENIOR MANAGEMENT:

The Committee shall review potential candidates for appointment as Director(s), KMP and for filling Senior Management positions and give its recommendations to the Board. In evaluating the suitability of potential candidates the Committee may take into account factors such as:

- personal and professional ethics, integrity and values;
- educational and professional background;
- leadership skills, standing in the profession;
- business knowledge, relevant competencies and skills, experience;
- actual or potential conflicts of interest, if any;
- willingness to devote time and efforts to effectively carry out duties and responsibilities;
- during the process of identification of suitable candidates for appointment as independent directors it must be ensured that the criteria of independence laid down under Section 49(6) of the Act is duly fulfilled.

In this regard, the Committee may rely on the Company's Management, or external search firm(s), or a mix of both, as the Committee deems fit from time to time.

7. REMUNERATION:

This Policy is divided into THREE PARTS:

- **Part A** covers the matters to be dealt with and recommended by the Nomination and Remuneration Committee to the Board;
- **Part B** covers the appointment and removal of Directors, KMP and Senior Management; and
- **Part C** covers the remuneration for Directors, KMPs and Senior Management

PART – A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE COMMITTEE

The following matters shall be dealt with by the Committee:-

- (a)** Identification and recommendation of candidates for appointment as Directors, KMP and Senior Management:

The Committee shall identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this Policy and recommend to the Board their appointment and removal.

In this regard, the Committee may rely on the Company's Management, or external search firm(s), or a mix of both, as the Committee deems fit from time to time.

(b) Size and composition of the Board:

Periodically reviewing the size and composition of the Board in order to:

- (i) have an appropriate mix of executive, non-executive and independent directors to maintain its independence and separate its functions of governance and management and
- (ii) ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company;

The Committee shall also assist the Board in ensuring that the Board nomination process is in line with the diversity policy of the Board.

c) Formulation of criteria and recommendation of Policy:

Formulating the criteria determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, KMP and other employees.

For every appointment of an independent director, the 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:

- (i) use the services of an external agencies, if required;
- (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and consider the time commitments of the candidates.

(d) Succession plans:

Establishing and reviewing succession plans of the Board, KMP and Senior Management in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.

(e) Evaluation of performance:

- (i) Make recommendations to the Board on appropriate performance criteria for the Directors.
- (ii) Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company or engage with a third-party facilitator in doing so.
- (iii) Identify ongoing training and education programs for the Board to ensure that non-executive Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

(f) Remuneration framework and policies:

The Committee is responsible for reviewing and making recommendations to the Board on:

- a. Remuneration of whole-time Directors to be presented for shareholders' approval including severance, if any.
- b. Individual and total remuneration of non-executive Directors and the chairperson (if non- executive), including any additional fees payable for membership of Board committees;
- c. the remuneration and remuneration policies for KMP and Senior Management including base pay, incentive payments, equity awards, retirement rights, severance pay, if any, and service contracts having regard to the need to:
 - Attract and motivate talent to pursue the Company's long term growth;
 - Demonstrate a clear relationship between executive compensation and performance;
 - Be reasonable and fair, having regard to best governance practices & legal requirements
 - Balance between fixed and incentive pay reflecting short and long-term performance objectives as appropriate for the Company and its goals.
- d. Company's incentive compensation and equity-based plans including consideration of performance thresholds and regulatory and market requirements;

PART – B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, KMP AND SENIOR MANAGEMENT

(a) Appointment criteria and qualifications

1. The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, KMP or Senior Management and recommend to the Board his/her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
2. A person to be appointed as Director, KMP or Senior Management should possess adequate qualification, expertise and experience for the position he/she is considered for.
3. A person to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors/areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board members.
4. For every appointment of an independent director, the 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 for such role shall meet the description.

5. The Company shall appoint or continue the employment of a person as managing director /whole- time director and non-executive Director who has not attained the maximum age of retirement as prescribed under Applicable Laws.
6. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board.
7. The Company shall not appoint any resigning Independent Director, as whole-time director, unless a period of one year has elapsed from the date of resignation as an Independent Director.
8. The term/tenure of the Directors, KMPs and Senior Management/ other employees shall be in accordance with the Applicable Laws and their respective contracts/ terms of appointment (and shareholders and/or government approvals, where relevant).

(b) Removal

Due to reasons for any disqualification mentioned in the Applicable Laws, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the Applicable Laws.

c) Retirement

The Directors, KMP and Senior Management shall retire as per the applicable provisions of the Applicable Law and relevant policies of the Company. The Board will have the discretion to retain the Directors, KMP and Senior Management in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company, subject to approvals as required under the Applicable Laws.

PART – C

POLICY RELATING TO THE REMUNERATION FOR DIRECTORS, KMP AND SENIOR MANAGEMENT

(a) General

1. The remuneration / compensation / commission etc. to be paid to Directors will be determined by the Committee and recommended to the Board for approval, in accordance with the requirements under the Applicable Laws.
2. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the shareholders in the case of Managing Director/ Whole-time Director.
3. Where any insurance is taken by the Company on behalf of its Directors, KMP and Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.



(b) Remuneration to KMPs and Senior Management

The pay program for KMP and Senior Management has been designed around three primary pay components: Base/Fixed Pay, Performance Bonus and Stock Incentives. These three components together constitute the “Total Rewards” of the KMP and Senior Management.

1. **Base/ Fixed pay:** It is guaranteed pay and paid periodically, usually monthly or bi-monthly or as per payroll policy by country/ region.
2. **Performance Bonus:** Cash bonus, payable on the achievement of objective and quantifiable key performance indicators (KPI) as established by the Committee.
3. **Stock Incentives:** Stock or equity based incentives can be either time based or performance-based equity grants. Time based stock incentives, in the form of Restricted Stock Units (RSUs) or/and stock options, are vested based on continuation of service. Performance based stock incentives, in the form of stock options and/or RSUs, vest upon the achievement of certain performance parameters. The stock incentives are governed by the Infosys Stock Plans (as may be amended from time to time) as approved by the shareholders.

The Total Rewards for KMP and Senior Management is designed to ensure their continued alignment with organizational goals. The Committee aims to ensure that KMP and Senior Management pay is reflective of market pay, consisting of a mix of base/ fixed pay, performance bonus and stock incentives. The emphasis on stock incentives ensures alignment with shareholders’ interests, through a continued focus on the Company’s sustainable, long-term performance.

(c) Remuneration to other employees

The compensation for other employees would be as per the compensation policy of the Company, as revised through the annual compensation review process from time to time and approved by the Managing Director/Chief Executive Officer, in consultation with the Head- HR.

(d) Minimum remuneration to Directors in the event of inadequate / no profits

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Directors including any managing or whole-time director or manager, or any other non-executive director, including an independent director in accordance with the provisions of Schedule V of the Act.

(e) Remuneration to the Directors

The remuneration payable to each Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company’s performance, and the provisions of Applicable Laws.



- i. **Stock incentive:** The Independent Directors shall not be entitled to any stock incentive of the Company.
- ii. **The remuneration to the non-executive Directors** (including Independent Directors) 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.
- iii. **Sitting Fee:** Non-Executive Directors and Independent Directors shall be paid sitting fees for attending the meetings of the Board and the Committees thereof within the prescribed limit alongwith reimbursement of expenses for participation in the Board and other meetings under Companies Act, 2013.

8. DISCLOSURE OF INFORMATION:

- a. The Company shall disclose this Policy on its website and a web link thereto shall be provided in the Annual Report.
- b) The Company shall submit the requisite disclosures to the Stock Exchanges as prescribed under SEBI LODR from time to time.
- c) The Company shall keep one or more registers giving separately the particulars of all contracts or arrangements with any Related Party.

9. AMENDMENTS TO THE POLICY:

In case of any subsequent changes in the provisions of the Act or any other regulations, including the SEBI LODR Regulations, which makes any of the provisions in the Policy inconsistent with the Act or such other regulations, such provisions of the Act or such other regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law."
