

CUMMINS INDIA LIMITED
NOMINATION AND REMUNERATION COMMITTEE CHARTER

1. Objective & Scope:

The Nomination and Remuneration Committee ("Committee") is constituted pursuant to and in accordance with the applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of Securities (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended from time to time.

The role, responsibilities and powers of the Committee shall include matters set out in this Charter and such other items as may be prescribed by applicable laws as amended or by the Board in compliance with applicable law from time to time.

2. Composition

- a. The Committee shall consist of minimum three Directors, all of whom shall be Non-Executive Directors and at least two-third of whom shall be Independent Directors.
- b. The Members of the Nomination & Remuneration Committee shall elect a Chairperson from amongst themselves who shall necessarily be an Independent Director. The Chairperson may attend Annual General Meeting to answer shareholder queries and provide necessary clarifications.
- c. The Chairperson of the Company may be appointed as a Member of the Committee but shall not be a Chairperson of the Committee.
- d. The Company Secretary shall act as the Secretary to the Committee Meetings.

3. Quorum

The quorum shall be either two members or one-third of the Members of the Committee whichever is greater, with at least one being the Independent Director.

4. Meetings

- a. The Committee shall meet at least two times in a year. The Committee may meet at such other interval as may be deemed necessary.
- b. The Committee may invite such executives who are Member of Senior Management or otherwise, as it considers appropriate, to be present at the meetings.

6. Roles and Responsibilities/ Terms of Reference:

- a. To identify persons who are qualified to become Directors and who may be appointed as Key Managerial Personnel and Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- b. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a remuneration policy, relating to the remuneration for the Directors, Key Managerial Personnel, and other employees after ensuring that

- i). the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the company successfully;
- ii). relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii). 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.
- c. Formulation of criteria for evaluation of performance of Independent Directors, Non-Executive Directors, the Board and Committees of the Board as per applicable laws;
- d. Devising a policy on diversity of the Board of Directors as a part of overall Nomination and Remuneration Policy;
- e. Recommend to the Board, all remuneration, in whatever form, payable to the Directors, Key Managerial Personnel and Senior Management;
- f. Identify whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors or on the basis of a review of skills matrix of the Board of Directors;
- g. Deliberate on succession planning of Executive and Independent Directors, Key Managerial Personnel and Senior Management;
- h. Delegating any of its powers to one or more of its Members (including Chairperson) or the Secretary of the Committee;
- i. Obtain outside legal or other professional advice of consultants with relevant expertise, if Committee considers it necessary; and
- j. Carry out any other function as may be delegated by the Board or as may be prescribed under applicable laws from time to time.

7. Review of Nomination and Remuneration Committee Charter

The Committee shall review and assess the adequacy of this Charter at such intervals as it may deem fit and make appropriate recommendations to the Board on the basis of such assessment.

Any amendment in the regulatory requirements shall be binding on the Company and shall prevail over this charter even if not incorporated. In any circumstance where the terms of this Charter differ from any applicable law for the time being in force, the provisions of such applicable law shall take precedence over the Charter.

Approved By: Board of Directors

Charter approved on: February 08, 2023

Effective date: February 08, 2023