



NOMINATION AND REMUNERATION POLICY

1. Introduction

In terms of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, entered into by the Company with the Stock Exchanges, as amended from time to time. Nomination and Remuneration Committee has formulated Nomination and Remuneration Policy which is applicable on the nomination and remuneration of the Directors, Key Managerial Personnel (KMP) and Senior Management of the Company.

This Committee and the Policy has been formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement and has been approved by the Board vide its resolution dated 28th May, 2019.

The Nomination and Remuneration Policy shall help the Board of Directors in the preparations relating to the election of members of the Board of Directors, and in handling matters within its scope of responsibility that relate to the conditions of employment and remuneration of senior management, and to management's and personnel's remuneration and incentive schemes. The responsibilities of the Remuneration and Nomination Committee are defined in its policy document.

2. Title, application and commencement

- I. This policy may be called the Nomination and Remuneration Policy.
- II. It shall be applicable to
 - a) Directors (Executive, Non-Executive and Independent)
 - b) Key Managerial Personnel
 - c) Senior Management Personnel
 - d) Other employees as may be decided by the Nomination and Remuneration Committee
- III. It commence for the date of approval by the Board of Directors of the Company.



3. Definitions

In this policy, unless the context otherwise require:-

- I. **“Board”** means the Board of Directors of the Company.
- II. **“Company”** means “Madhucon Projects Limited”
- III. **“Employees’ Stock Option”** means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.
- IV. **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- V. **“Key Managerial Personnel”** or **“KMP”** means Key Managerial Personnel of the Company as defined in Section 2(51) of the Companies Act, 2013.
- VI. **“Nomination and Remuneration Committee”** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.
- VII. **“Policy or This Policy”** means “Nomination and Remuneration Policy.”
- VIII. **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- IX. **“Senior Management”** means personnel of the Company who are members of its core management team one level below the Directors and includes heads of all departments.

4. Interpretation

Words and expressions used in this Policy shall have the same meanings respectively assigned to them in the following acts, listing agreement, regulations, and rules.

- The Companies Act, 2013 or the rules framed thereon;



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- Listing Agreement with Stock Exchanges;
- Securities Contracts (Regulation) Act, 1956;
- Securities and Exchange Board of India Act, 1992;
- SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009;
- SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- SEBI (Prohibition of Insider Trading) Regulations, 1992.



5. Composition of the Nomination and Remuneration Committee (“Committee”)

Nomination and remuneration committee shall at all-time comprise at least three directors, all of whom shall be non-executive directors and at least half shall be independent.

Chairman of the committee shall be an independent director.

The chairperson of the company may be appointed as member, but shall not chair such committee.

The Company shall act as the Secretary of the Committee.

6. Duties of the Committee

- a)** identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down;
- b)** recommend to the Board their appointment and removal;
- c)** carry out evaluation of every Director’s performance;
- d)** formulate the criteria for determining qualifications, positive attributes and independence of a Director and
- e)** recommend to the Board a policy, relating to the remuneration for the Directors, KMP and other employees.

7. Meeting of the Committee

- a)** The meeting of the Committee shall be held at such regular intervals as may be required.
- b)** In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman
- c)** The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.
- d)** A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.



- e) 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.
- f) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

8. Minutes of the Meeting

- a) Minutes of the Meeting shall be made by the Secretary of the Committee and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- b) Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

9. Appointment

- a) Subject to the provisions of the Companies Act, 2013, the Listing Agreement, the Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) The Committee has discretion to decide the adequacy of qualification, expertise and experience for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director / Whole-time Director / Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- d) The Company shall appoint or re-appoint any person as its Managerial Personnel for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- e) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.



- f) 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.
- g) 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.
- h) At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.
- i) The company shall familiarize the Independent Directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various training programs.
- j) The Committee shall carry out the evaluation of Directors periodically and shall disclose the evaluation criteria in its Annual Report.
- k) Due to reasons for any disqualification as per Companies Act, 2013, rules made thereunder or due to unsatisfactory performance by any director, KMP, senior management and other employee, the Committee may recommend, to the Board with reasons recorded in writing, removal of such director etc.
- l) The Board will have the discretion to retain the Director, KMP, Personnel of Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, in the interest and for the benefit of the Company.

10. Remuneration

- (a) The remuneration / compensation / commission etc. to Managerial Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.
- (b) The remuneration and commission to be paid to the Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.



If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies.

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

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

The sitting fee paid to Independent Directors and Women Directors, shall not be less than the sitting fee payable to other directors.

Remuneration / Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

An Independent Director shall not be entitled to any stock option of the Company.

11. Disclosure

The Company shall disclose the Policy on Nomination and Remuneration on its website and the web-link shall be provided in the Annual Report.



7. AMENDMENT

Any amendment or modification in the Listing Agreement and any other applicable regulation relating to Nomination and Remuneration Committee shall automatically be applicable to the Company.

The above policy has been approved by the Board of Madhucon Projects Limited at its meeting held on 28th May, 2019.