

**MITCON Consultancy & Engineering Services Limited**  
**Nomination and Remuneration Policy**

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 52 of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel, Senior Management and Other Employees has been formulated by the Nomination and Remuneration Committee (Hereinafter referred to as NRC or the Committee) and has been approved by the Board of Directors.

The Nomination and Remuneration Policy of MITCON Consultancy & Engineering Services Limited (the “Company”) is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long term value creation for shareholders.

**Definitions:**

“**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 and other statutory benefits;

“**Key Managerial Personnel**” means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) such other officer as may be prescribed.

“**Senior Managerial Personnel**” means the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all functional heads or Head of the Divisions.

**Applicability**

This Policy applies to directors, senior management including its Key Managerial Personnel (KMP) and other employees of the Company.

**Guiding principle**

The guiding principle is that the nomination, terms of employment and remuneration should effectively help in attracting and retaining committed and competent personnel.

While designing remuneration packages, industry practices and cost of living are also taken into consideration.

**Nomination:**

**A) Directors**

The appointment of the Non-Executive and Independent Directors are subject to the recommendation of NRC and approval of the Board of Directors and Shareholders. The Company shall comply provisions of the Companies Act, 2013 and rules framed thereunder for appointment of the Managing Director, Executive Director and Independent Directors.

**B) KMP**

Appointment and removal of KMP are subject to the approval of the NRC and the Board of Directors.

**C) Senior Management**

The Managing Director is authorised to make appointment and removal of senior management personnel. The same will be reported to the Board in the next Board Meeting.

**D) Other employees:**

Other employees will be appointed by the Managing Director from time to time.

**Remuneration:**

The NRC while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

The NRC while considering a remuneration package must ensure a balance between fixed and performance linked variable pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The NRC considers that a successful Remuneration Policy must ensure that some part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

## **Reward principles and objectives**

The Company's Remuneration Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under section 178 of the Companies Act 2013, inter alia principles pertaining to determining qualifications, positive attributes, integrity and independence etc.

Remuneration also aims to motivate personnel to deliver Company's key business strategies, create a strong performance-oriented environment and reward achievement of meaningful targets over the short and long-term.

### **A) Non-Executive Directors**

As per the Policy followed by the Company since inception the non-executive directors are paid remuneration in the form of sitting fees for attending Board and Committee meetings as fixed by the Board of Directors from time to time subject to statutory provisions. Presently sitting fee is Rs. 10,000/- per meeting of the Board or any Committee thereof.

### **B) Managing Director**

Remuneration of Managing Director reflects the overall remuneration philosophy and guiding principle of the Company. When considering the appointment and remuneration of Managing Director, the NRC considers pay and employment conditions in the industry, merit and seniority of the person and the paying capacity of the Company. The term of office and remuneration of Managing Director are subject to the approval of the Board of Directors, shareholders and the limits laid down under the Companies Act from time to time.

The Managing Director's remuneration comprises of salary, perquisites and performance based commission/ reward apart from retirement benefits like P.F., Superannuation, Gratuity etc. as per Rules of the Company.

The Managing Director is also entitled to customary non-monetary benefits such as company car, health care benefits, leave travel, communication facilities, etc.

### **C) Employees**

Remuneration of other employees is decided by the Managing Director, where applicable, broadly based on the Remuneration Policy of the Company. Total remuneration comprises of:

1. **A fixed base salary** - set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.
2. **Perquisites** – in the form of dearness allowance, house rent allowance, conveyance allowance, medical allowance, leave travel allowance, reimbursement of telephone expenses incurred for business of the Company and other benefits as per the Company's policy.
3. **Retirement benefits** - Contribution to PF and gratuity as per Company Rules.
4. **Motivation /Reward** - A performance appraisal is carried out annually and promotions/ increments/ rewards are decided by the Managing Director based on the appraisal and recommendation of the concerned Head of Department, Chief Financial Officer and Human Resources Head, where applicable.
5. **Severance payments** - in accordance with terms of employment, and applicable statutory requirements, if any.

### **Evaluation**

The Committee shall carry out evaluation of performance of Directors and KMP yearly or at such intervals as may be considered necessary. Managing Directors shall carry out evaluation of performance of the Senior Management Personnel as per the Company's policy and report to the Committee.

### **Disclosure of information**

Information on the total remuneration of members of the Company's Board of Directors and KMP/ senior management personnel may be disclosed in the Company's annual financial statements as per statutory requirements.

### **Application of the Remuneration Policy**

This Remuneration Policy shall continue to guide all future employment of Directors, Company's Senior Management including Key Managerial Personnel and other employees.

Any departure from the policy can be undertaken only with the approval of the Board of Directors.

## **NRC MEETINGS**

The meetings of NRC will be governed by the provisions of the Companies Act, 2013, Rules made thereunder and Listing Agreement as may be applicable from time to time.

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meeting.

### **Dissemination**

This Policy shall be published on website of the Company.

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