

## **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 the SEBI (Listing Obligations and Disclosure Requirements)(Amendment) Regulations, 2018 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.

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

**OBJECTIVE:**

The objective of the policy is to ensure that

- 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;
- relationship of remuneration to performance is clear and meets appropriate performance bench marks; and
- 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.

**ROLE OF THE COMMITTEE:**

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors
- To identify persons who are qualified to become Directors and who may be appointed Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key executives and overseeing.

- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.
- It 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
- ***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; and***
  - c. consider the time commitments of the candidates.***

**APPOINTMENT OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:**

**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) KEY MANAGERIAL PERSONNEL**

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as a Key Managerial Personnel and recommend his/ her appointment as per the Company's Policy

**C) SENIOR MANAGEMENT**

The Managing Director is authorized 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.

MITCON Consultancy & Engineering Services Limited (IS/ISO 9001:2015)

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**EVALUATION:**

The Committee shall carry out evaluation of performance of Director, Key Managerial Personnel and Senior Management Personnel yearly or at such intervals as may be considered necessary.

The Managing Director shall carry out evaluation of performance of the Senior Management Personnel as per the Company's policy and report to the Committee.

**REMOVAL:**

The Committee may recommend with reasons recorded in writing, removal of a Director, Key Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

**RETIREMENT:**

The Director, Key Managerial Personnel or Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director and Key Managerial Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

The Managing Director will have the discretion to retain the Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**POLICY FOR REMUNERATION TO DIRECTORS/ KEY MANAGERIAL PERSONNEL/ SENIOR MANAGEMENT PERSONNEL:**

**1) Remuneration to Managing Director / Whole-time Directors:**

a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

**2) Remuneration to Non-Executive / Independent Directors:**

a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The

amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - i) The Services are rendered by such Director in his capacity as the professional; and
  - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

**3) Remuneration to Key Managerial Personnel and Senior Management:**

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

**IMPLEMENTATION:**

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may delegate any of its powers to one or more of its members.

**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.

**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 ([www.mitconindia.com](http://www.mitconindia.com)).

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