

Nomination, Remuneration and Evaluation Policy

1. Introduction:-

The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of directors, Key managerial Personnel and other employees has been formulated in terms of the provisions of the Companies Act, 2013 in order to pay equitable remuneration to the directors, KMPs and employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company.

2. Objective and purpose of Policy:-

- a) To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive/Non-executive) and recommend policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees to the Board.
- b) To formulate the criteria for evaluation of performance of all Directors on the Board.
- c) To lay down remuneration principles for employees linked to the effort, performance and achievement relating to the Company goals.

3. Constitution of Nomination and Remuneration Committee:-

The Board has constituted Nomination and Remuneration Committee of the Board on 14th August, 2014. This is in line with the requirements under the Companies Act, 2013 (The Act)

Definitions

‘Board’ means Board of Directors of Manjeera Constructions Limited (The Company)

‘Directors’ means Directors of the Company

‘Committee’ means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board in accordance with the Act and applicable regulations.

‘Independent Directors’ means Director referred in to Section 149 (6) of the Act.

“Policy” or “this Policy” means Nomination, Remuneration and Evaluation Policy.

‘Key Managerial Personnel (KMP)’ means

- (i) The Managing Director or the Chief Executive Officer or the Manager and in their absence, a Whole Time Director;
- (ii) The Company Secretary
- (iii) The Chief Financial Officer

‘Senior management’ means personnel of the Company who are members of its core management team excluding Board of Directors comprising of all members of management one level below the Board of Directors, including functional heads;

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 or rules therein as may be amended from time to time shall have the meaning respectively assigned to them therein.

4. Role of the Committee:

The Committee shall:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- b) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;
- c) Lay down the evaluation criteria for performance evaluation of Independent Director and the Board;
- d) Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;

5. Policy for appointment and removal of Director, KMP and Senior Management

5.1 . Appointment criteria and qualifications

- a) 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) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director 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.

5.2 Term / Tenure

- a) **Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director 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.

b) Independent Director:

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.

- 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. 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. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.
- 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 or such other number as may be prescribed under the Act.

5.3 Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

5.4 Retirement

The Director, KMP and 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, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

6. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

6.1. General:

a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the

Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees 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.

6.2. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

a) Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

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5.3. Remuneration to Non- Executive / Independent Director:

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

b) Sitting Fees:

The Non- Executive/Independent Director may receive sitting fees for attending meetings of Board or Committee thereof as may be approved by the Board. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. At present, the Sitting fees is fixed at Rs. 2500/- per meeting per director.

c) Commission:

Commission 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.

d) Stock Options:

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

7. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

7.1 Evaluation Criteria for Independent Director: - An annual performance evaluation of an Independent Director shall be carried out by all other Directors at the end of the financial year in the form of questionnaire mentioned herein below:

- a. Is the attendance of non-executive Independent directors at meetings satisfactory?
- b. Do the non-executive Independent directors show willingness to spend time and effort learning about the company and its business?
- c. What has been their contribution to the development of (i) Strategy and (ii) risk management?
- d. How effectively have they followed up matters about which they have expressed concern?
- e. How good are their relationship with other board members, the company secretary and senior management?

- f. Are they up-to-date with the latest developments in areas such as the Corporate Governance framework and financial reporting and in the industry and market conditions?
- g. How well do they communicate with other board members, senior management and others? (e.g. shareholders)
- h. Can they present their views convincingly, yet diplomatically?
- i. Do they participate in discussion related to Internal Audit report, Cost Audit report and Secretarial Audit Report?

7.2 Evaluation Criteria for Executive Directors including Chairman:- Individual Director's performance will be evaluated considering the following:

- a) Active participation in the Board deliberations and attendance in meetings.
- b) Contribution in practice of Corporate governance by the Company.
- c) Leadership through vision and values.
- d) Strategic thinking and decision making.
- e) Providing guidance to the Management
- f) Contribution to resolution of divergent views.