



MADHAV INFRA PROJECTS LIMITED

NOMINATION AND REMUNERATION POLICY

(Effective from 01st December, 2015)

1) Preface

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 49 amended of the Listing Agreement and Regulation 19 of SEBI (LODR) Regulations, 2015, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (the Committee) and has been approved by the Board of Directors.

2) Definitions

- i. **Board** or **Board of Directors** means the collective body of the Directors of Madhav Infra Projects Limited, as may be re-constituted from time to time.
- ii. **Company** means Madhav Infra Projects Limited.
- iii. **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;
- iv. **Key Managerial Personnel** (KMP) means: – Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director; Chief Financial Officer; Company Secretary; and such other officer as may be prescribed.
- v. **Senior Managerial Personnel** mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

3) Objective

The objective of the policy is to ensure framework in relation to remuneration of Directors, Key Managerial Personnel, and Senior Managerial Personal. The Key objectives would be:

- i. To ensure 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. To evaluate the performance of member and provide necessary report to the Board for further evaluation of the Board.
- iii. To recommended 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.



4) Constitution of Committee

- i. The Committee shall comprise of at least three (3) Directors, all of whom shall be Non-Executive Directors and at least half shall be Independent.
- ii. The Chairman of the Committee shall be an Independent Director.
- iii. The Chairperson of the Company (whether executive or non-executive) may be appointed as a Member of the Committee but shall not Chair the Committee.
- iv. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as the Chairman.
- v. The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013, Listing Agreement and any other applicable statutory requirement.

5) Role of the Committee

The role of the Committee inter alia will be following:

- i. To recommend to the Board the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- ii. To recommend to the Board the Remuneration payable to the Directors, Key Managerial Personnel and Senior Management personnel.
- iii. To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- iv. To formulate criteria for evaluation of Independent Directors and the Board.
- v. To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- vi. To carry out evaluation of Director's performance.
- vii. To devise a policy on Board diversity, composition, size.
- viii. Succession planning for replacing Key Executives and overseeing.
- ix. 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.
- x. To perform such other functions as may be necessary or appropriate for the performance of its duties.

6) Appointment and Removal of Director, Key Managerial Personnel and Senior Management

- i. The Committee shall identify and ascertain the qualification, expertise, skills and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- ii. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to

decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

- iii. The Committee shall approve the remuneration as well as the appointment, made by the HR Department/ Company of the Senior Management personnel and put forward it the Board. The same shall be done after considering the integrity, qualification, expertise and experience of the person appointed.

5.1 Term / Tenure

- i. **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.

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.

- ii. **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 of up to maximum of 5 years each, 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.

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.

- ii. **Key Managerial Personnel/ Senior Management:** The tenure and terms of appointment of Key Managerial Personnel and Senior Management will be as per the prevailing HR. policy of the Company or as per the applicable provisions of the Companies Act 2013.

5.2 Evaluation

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

5.3 Removal

Due to reasons for any disqualification/misconduct/fraud mentioned in the Act or under any other applicable Act, rules and regulations thereunder. The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

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 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.

7) Policy for Remuneration to Directors/KMP/Senior Management Personnel

6.1 Remuneration to Managing Director / Whole-time Directors

- i. 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.
- ii. 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.

6.2 Remuneration to Non- Executive / Independent Directors

- i. 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.
- ii. The Non-Executive Independent Director may receive remuneration / compensation /commission as per the provisions of Companies Act, 2013. The amount of sitting fees 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.
- iii. 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:

- a) The Services are rendered by such Director in his capacity as the professional; and
- b) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

6.3 Remuneration to Key Managerial Personnel and Senior Management

- i. The Remuneration/Compensation /Incentives payable to the Key Managerial Personnel and Senior Management shall be as per the prevailing HR policy of the Company or as per the provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
- ii. The Incentives shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

8) Review

The Committee may assess the adequacy of this Policy and make any necessary or desirable amendments from time to time to ensure it remains consistent with the Board's objectives, current laws and best practices.

9) Amendments

The Board shall have the power to amend any of the provisions of this Policy and to substitute any of the provisions with a new provision or replace this entire Policy with a new Policy to comply with any regulatory amendments or statutory modifications issued by Stock Exchanges/SEBI or any other Authority.

Amit Khurana
Chairman and Managing Director