



MBL INFRASTRUCTURE LTD

NOMINATION AND REMUNERATION
POLICY

MBL

POLICY ON REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“LODR”), the Board of Directors of listed Company shall constitute the Nomination and Remuneration Committee. The Company has re-constituted the Nomination and Remuneration Committee comprising of three non-executive Independent Directors as required under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. In order to align with the provisions of the Companies Act, 2013 and the amended SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 from time to time, as required. This Committee and the Policy are formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

OBJECTIVE

The Key objectives of the Committee are:

- (i) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- (ii) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- (iii) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

DEFINITIONS

“**Board**” means Board of Directors of the Company.

“**Company**” means “MBL INFRASTRUCTURE LIMITED”

“**Independent Director**” means a director referred to in Section 149 (6) of the Companies Act, 2013 and respective regulation of SEBI (LODR) Regulation, 2015.

“Key Managerial Personnel” (KMP) means

- (i) Chief Executive Officer or the Managing Director or the Manager,
- (ii) Company Secretary,
- (iii) Whole-time Director,
- (iv) Chief Financial Officer
- (v) Such other officer, not more than one level below the directors who is in whole- time employment, designated as key managerial personnel by the Board; and
- (vi) Such other officer as may be prescribed.

“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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

“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.

“Senior Management” mean personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one and two level below the executive directors, including all the functional heads.

INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and/or any other SEBI Regulation(s) as amended from time to time.

This Policy ensures that :-

- (i) 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 benchmarks and
- (ii) 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 Committee inter alia will be the following:

- (i) Recommend to the Board the setup and composition of the Board and its committees, including the “formulation of the criteria for determining qualifications, positive attributes and independence of a director.” The committee will reviewing periodically the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- (ii) Recommend to the Board the appointment or reappointment of directors.
- (iii) Recommend to the Board appointment of Key Managerial Personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by this Committee).
- (iv) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
- (v) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (vi) Carry out evaluation of every director’s performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors.

This shall include “Formulation of criteria for evaluation of Independent Directors and the Board”.

Additionally the Committee may also oversee the performance review process of the KMP and executive team of the Company.

MEMBERSHIP

- (i) The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be Independent.
- (ii) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- (iii) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- (iv) Membership of the Committee shall be disclosed in the Annual Report.
- (v) Term of the Committee shall be continued unless terminated by the Board of Directors.

CHAIRPERSON

- (i) Chairperson of the Committee shall be an Independent Director.
- (ii) Chairperson of the Company may be appointed as a member of the other Committee but shall not Chair other Committee.
- (iii) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
- (iv) Chairperson of the Nomination and Remuneration Committee shall be present at the General Meetings or may nominate some other member for the purpose.

FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at such regular intervals as may be required and at least one meeting must be held in every year.

APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

Appointment criteria and qualifications:

- (i) 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.
- (ii) 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 are sufficient/satisfactory for the concerned position.
- (iii) The Company shall not appoint any person as Managing Director/Whole-time Director/Manager who is below the age of twenty one years or 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.

TERM / TENURE

- (i) **Managing Director/Whole-time Director/Manager (Managerial Person):** The Company shall appoint or re-appoint any person as its Managerial Person 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.
- (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 reappointment 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. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director services 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 (Executive Director) of any listed company.



EVALUATION

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

- (i) **Removal:** Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.
- (ii) **Retirement:** The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSONNEL, KMP AND SENIOR MANAGEMENT

The remuneration / compensation / commission etc. to Managerial Personnel, 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. The remuneration and commission to be paid to 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.

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 Managerial Personnel. Where any insurance is taken by the Company on behalf of its KMPs 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.

(i) Remuneration to Managerial Personnel, KMP and Senior Management:

Fixed pay: Managerial Personnel, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up 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 on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.



Minimum Remuneration: If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person only when it is complying with the provisions of the Companies Act, 2013.

Provisions for excess remuneration: If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 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.

(ii) Remuneration to Non-Executive / Independent Director:

- a) **REMUNERATION:** The remuneration shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force and any other statutory/ regulatory provisions applicable to the Company. Employee Stock Options (ESOPs) if allotted and/ or commission from profits if given, may form part of the remuneration.
- b) **SITTING FEES:** The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- c) **MINUTES OF COMMITTEE MEETING:** Proceedings of all meetings must be minutes and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

REVIEW

The policy shall be reviewed by the Nomination & Remuneration Committee and the Board, from time to time as may be necessary.

AMENDMENTS TO THE POLICY

- a) This Policy will be renewed by the Board at least once in three years or as and when there are material changes in the regulations/laws relating to Related Party Transactions, as recorded by Audit Committee.

- b) In case of any amendment (s), classification(s), circular(s) etc. amend by the relevant authorities are not consent with the provisions laid down under the Policy, then such amendment (s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and the policy shall stand amended accordingly from the effect the date as laid down under such amendments, clarifications, circulars etc.

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