



MILLENNIUM ENGINEERS AND CONTRACTORS LIMITED

**(Formerly Known as Millennium Engineers
and Contractors Private Limited)**

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NOMINATION AND

REMUNERATION POLICY

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NOMINATION AND REMUNERATION POLICY

1. Preface

With reference to Company's efforts to consider human resources as its valuable assets, to pay equitable remuneration to Directors, Key Managerial Personnel and Employees of the Company, to harmonise aspirations of the human resources consistent with goals of the Company and pursuant to Companies Act 2013, the Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.

2. Nomination and Remuneration Committee

Pursuant to Section 178 of the Companies Act 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has constituted Nomination and Remuneration Committee consisting of at least three non-executive directors out of which not less than one-half are Independent Directors. The Chairman of the Committee is an Independent Director.

3. Objectives of the Policy

The objective of this policy is to lay down a framework in relation to remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and other employees. The Key Objectives of the Nomination and Remuneration Committee would be:

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management Personnel.
2. Formulate the criteria for determining qualifications, experience, positive attributes and independence of Directors and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
3. Formulation of criteria for evaluation of Independent Director.
4. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
5. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel

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and Senior Management Personnel.

6. To develop a succession plan for the Board and to regularly review the plan.
7. To assist the Board in fulfilling responsibilities.
8. To Implement and monitor policies and processes regarding principles of corporate governance.

4. Scope of the Policy

The Policy is applicable regarding appointment and remuneration in case of:

1. Directors (Executive and Non-Executive)
2. Key Managerial Personnel*
3. Senior Management Personnel**

* “Key Managerial Personnel” means:

- a) Managing Director, or Chief Executive Officer or Manager ,
- b) Whole-time Director
- c) Chief Financial Officer;
- d) Company Secretary
- e) 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
- f) Such other officers as may be prescribed.

** “Senior Managerial Personnel” shall mean officers/ personnel of the Company who are members of its core management team excluding Board of Directors and normally, this shall comprise all members of management one level below the Chief Executive Officer/ Managing Director/ Whole Time Director/ Manager (including Chief Executive Officer/ Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.

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Policy for appointment and removal of Directors, Key Managerial Personnel, and Senior Management:

5. Appointment criteria and qualifications

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person proposed to be appointed as Director, Key Managerial Personnel or Senior Managerial Personnel and recommend to the Board his/ her appointment

A person should possess adequate qualification, expertise and experience for the position for which appointment is considered. The Committee has discretion to decide whether qualification, expertise and experience possessed by the person is sufficient/ satisfactory, as per the requirement of the concerned position.

The Company shall not appoint or continue employment of any person as Managing/ Whole- Time/ Executive Director who has attained the age of Seventy years, provided that the term of person holding this position may be extended beyond the age of Seventy years with the approval of the shareholders by passing a Special Resolution based on the justification stating reasons/ clarification for extension of appointment beyond seventy years. Further, the Company shall not appoint or continue the directorship of any person as a Non-Executive Director who has attained the age of Seventy Five years, provided that the term of person holding this position may be extended beyond the age of Seventy Five years with the approval of the shareholders by passing a Special Resolution based on the relevant justification.

6. Term/ tenure of Appointment

a) Managing Director/ Whole-time Director/ Executive Director

The Company shall appoint or re-appoint any person as its Managing Director, Whole Time 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 employment of any person as Managing/ Whole- Time/ Executive Director who has attained the age of Seventy years provided that the term of person holding this position may be extended beyond the age of seventy years with the approval of the shareholders by passing a special resolution based on the justification stating reasons/ clarification for extension of appointment beyond seventy years.

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b) Independent Director

An Independent Director shall hold office for a term up to maximum of 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

7. Evaluation

The Committee shall carry out evaluation of performance of every Director, Key Managerial Personnel and Senior Management Personnel at regular interval as required by law.

8. Removal

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

9. Retirement

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

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Remuneration to Managing/ Whole-Time/ Executive Director, Key Managerial Personnel and Senior Management Personnel:

The Remuneration/ Compensation/ Commission etc. to be paid to Managing/ Whole-Time/ Executive Director 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.

10. Remuneration to Non- Executive/ Independent Director

The Non-Executive Independent Director may receive Commission as per the provisions of the Companies Act, 2013. Non-Executive/Independent Directors shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members. The Board may at its discretion revise the sitting fees payable to the Non-Executive/Independent Directors from time to time provided that the amount of such fees shall not exceed the limits prescribed under the Companies Act, 2013 or rules made thereunder.

11. Remuneration to Key Managerial Personnel and Senior Management

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. The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management Personnel, to be decided annually or at such intervals as may be considered appropriate.

12. Duties and responsibilities of the Committee

The duties of the Committee in relation to nomination matters include:

1. Ensuring that there is an appropriate induction in place for new Directors, Key Managerial Personnel and Senior Management and reviewing its effectiveness;
2. Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
3. Determining the appropriate size, diversity and composition of the Board;

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4. Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
5. Evaluating the performance of the Board members, Key Managerial Personnel and Senior Management Personnel in the context of the Company's performance from business and compliance perspective;
6. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company, subject to the provision of the law and their service contract.
7. Delegating any of its powers to one or more of its members or the Secretary of the Committee;
8. Recommending any necessary changes to the Board; and
9. Considering any other matters, as may be requested by the Board.

The duties of the Committee in relation to remuneration matters include:

1. Considering and determining the Remuneration Policy, based on the performance reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
2. Delegating any of its powers to one or more of its members or the Secretary of the Committee.
3. Approving the remuneration of the Senior Management including Key Managerial Personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
4. Considering any other matters as may be requested by the Board.

13. Amendments to the Policy

The Board of Directors can amend this Policy, as and when deemed fit. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall

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prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

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