MANGLAM INFRA & ENGINEERING LIMITED

NOMINATION AND REMUNERATION POLICY

Version Control

Version	*Approval/Amendment Date*	*Approved by*
1	*December 01, 2023*	*Board of Directors*
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I. INTRODUCTION

In terms of Section 178 of the Companies Act, 2013, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors. This policy shall act as a guideline for determining inter-alia qualifications, positive attributes and independence of a Director and remuneration for the Directors, KMPs and other employees. This policy also specifies the manner for effective evaluation of performance of the Board, its committees and individual directors and review its implementation and compliance.

This Policy is formulated in accordance with provisions of the section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("**Listing Regulations**") as amended from time to time, along with any other applicable rules thereto.

II. OBJECTIVE

The Key Objectives and purpose of this Policy are:

a) 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;

b) 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: (i) use the services of an external agencies, if required; (ii) consider candidates from a wide range of backgrounds, having due regard to diversity; and (iii) consider the time commitments of the candidates;

c) Formulation of criteria for evaluation of performance of independent directors and the board of directors;

d) Devising a policy on diversity of board of directors;

e) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee and review its implementation and compliance;

f) To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

g) To recommend to the Board, all remuneration, in whatever form, payable to Senior Management;

h) 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;

i) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

j) To ensure that the remuneration to Directors, Key Managerial Personnel (KMP), and senior management of the Company 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;

III. DEFINITIONS

"Act" means Companies Act, 2013 and rules thereunder, including any modifications, amendments or re-enactment thereof.

"Board" means Board of Directors of the Company.

"Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board

"Company" means Manglam Infra & Engineering Limited.

"Directors" means a director appointed to the Board of a Company

"Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013 and/or as defined under Regulation 16 (1)(b) of the Listing Regulations. .

"Key Managerial Personnel" (KMP) means: key managerial personnel as defined under sub-section (51) of section 2 of the Companies Act as under:

- i the Chief Executive Officer or the managing director or the manager;
- ii the company secretary;
- iii the whole-time director;
- iv the 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

such other officer as may be prescribed;

"**Listing Regulations"** the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modification or re-enactment thereof.

"Policy or This Policy" means, "Nomination and Remuneration Policy."

"Senior Management" shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity.
Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, or any other applicable law/regulation/rules.

IV. APPLICABILITY

The Policy is applicable to-

a) Directors (Executive and Non-Executive),
b) Key Managerial Personnel
c) Senior Management Personnel

V. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013 and Listing Regulations, as amended from time to time.

VI. NOMINATION AND REMUNERATION COMMITTEE

1. Constitution

The board of directors shall constitute the nomination and remuneration committee as follows

a) the committee shall comprise of at least three directors
b) all directors of the committee shall be non-executive directors; and
c) at least two-thirds of the directors shall be independent directors.

The Board shall constitute/reconstitute the committee as and when required to comply with the provisions of the Act, regulations and applicable statutory requirement.

2. Chairperson

The Chairperson of the nomination and remuneration committee shall be an independent director

Provided that the chairperson of the listed entity, whether executive or non-executive, may be appointed as a member of the Nomination and Remuneration Committee and shall not chair such Committee.

The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.

3. Frequency of Meetings

The nomination and remuneration committee shall meet at least once in a financial year. Further, the meetings of the Committee shall be held as and when required and as statutorily required under the provisions of the Act and Rules made thereunder and as per the applicable law, if any, for the time being.

4. Quorum

The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance. The participation of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum.

5. The Company Secretary shall act as the secretary for Committee meetings.

6. Minutes

Minutes of the meetings shall be recorded and maintained by the Company Secretary and shall be presented to the Committee for approval at its subsequent meeting.

7. Role

The role of the nomination and remuneration committee shall be as specified as in Part D of the Schedule II of Listing regulations and such other roles as required in accordance with provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations") along with any other applicable rules thereto.

8. Responsibilities

The responsibilities of the committee shall include the following:

a) Recommend to the Board the setup and composition of the Board.
b) Support the Board in matters related to the setup, review and refresh of the committees.

c) Recommend to the Board, the appointment of KMP and Senior Management. The committee shall consult the Audit Committee of the Board before recommending the appointment of the Chief Financial Officer ("CFO").
d) Formulate and recommend to the Board plans for orderly succession for appointments to the board (MD & ED), KMPs and other senior management.
e) All other responsibilities as defined in the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations") along with any other applicable rules thereto.

VII. GUIDELINES FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL & OTHER MATTERS

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 Personnel and recommend to the Board his / her appointment & re-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 are sufficient / satisfactory for the concerned position.

c) The Company may appoint or continue the employment of any person as Whole- time Director who has attained the age of seventy-five years subject to the approval of shareholders by passing a special resolution. The explanatory statement annexed to the notice for such motion indicating the justification for appointing such person.

d) The Company should ensure that the person so appointed as Director/ Independent Director/ Senior Management Personnel shall not be disqualified under the Act, rules made thereunder, or any other enactment for the time being in force.

e) The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Act, rules made thereunder, or under listing regulations or any other enactment for the time being in force.

f) Independent Director shall meet all criteria specified in Section 149(6) of the Act and rules made thereunder and/or as specified in Regulation 25 of the listing regulations.

The Committee shall have the discretion to consider and fix any other criteria or norms for the selection of the most suitable candidate(s).

2. Disqualifications For Appointment of Directors

Pursuant to Section 164 of the Act, a person shall not be eligible for appointment as a director of a Company if:

a) He is of unsound mind and stands so declared by a competent court;
b) He is an undischarged insolvent;
c) He has applied to be adjudicated as insolvent and his application is pending;
d) He has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any Company;

e) An order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;
f) He has not paid any calls in respect of any shares of the Company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
g) He has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
h) He has not complied with Section 152(3) i.e. he has not been allotted the Director Identification Number under Section 154 of the Act.
i) He has not complied with Section 165 (1) i.e. he shall not be a Director in more than 20 Companies out of which 10 Companies can be public Companies.

No person who is or has been a Director of a Company which:

a) Has not filed financial statements or annual returns for any continuous period of three financial years; or

b) Has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be reappointed as a director of that Company or appointed in other Company for a period of five years from the date on which the said Company fails to do so.

Provided that where a person is appointed as a Director of a Company which is in default of the above-mentioned clauses, he shall not incur the disqualification for a period of 6 months from the date of his appointment.

3. Term / Tenure

a) Managing Director/Whole-time Director/Manager ("**Managerial Person**")
The company shall appoint & re-appoint managerial personnel as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. 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.

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.

4. Removal

Due to reasons for any disqualification mentioned in the Act, rules made thereunder or under any other applicable Act, rules, regulations and policies of the Company, 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.

5. **Retirement**

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Act and the prevailing policy of the Company, as the case may be. 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 subject to compliance of Acts, rules and regulations.

6. **Criteria for Determining Positive Attributes & Independence of Directors**

<u>Criteria for determining positive attributes:</u>

The Committee shall consider the following factors for determining positive attributes of directors (including independent directors):

a) Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.

b) Actively update their knowledge and skills with the latest developments in the infrastructure, engineering, construction and allied sectors, market conditions and applicable legal provisions.

c) Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities

d) To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.

e) Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.

f) To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.

<u>Criteria for determining Independence:</u>

The Independent Director shall satisfy the criteria of independence prescribed under Section 149(6) of the Companies Act, 2013 and the rules made thereunder, and Regulations 16(1)(b) and 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

7. **Performance Evaluation**

a) In compliance with Listing Regulations and the Companies Act, the Board shall evaluate its own performance along with that of its Committees. Further performance evaluation of all directors will be carried out by the Nomination and Remuneration Committee, which shall be reviewed by the Board. The criteria for evaluation of the performance of the Board, its Committee and Individual Directors shall be framed by the Committee in consultation with the Board and in accordance with applicable statutory requirement.

b) The evaluation of independent directors shall be done by the entire board of directors which shall include-
   i. performance of the directors; and
   ii. fulfillment of the independence criteria as specified in these regulations and their independence from the management:

Provided that in the above evaluation, the directors who are subject to evaluation shall not participate.

c) Performance of individual Directors of the Company shall be evaluated, on an annual basis, by the Board as a whole (excluding the Director being evaluated)

For annual performance evaluation of the Board as a whole, its Committee(s) and individual Directors including the Chairperson of the Board, the Company shall formulate a questionnaire to assist in evaluation of the performance. The tool takes the form of a series of assertions/questions which should be awarded a rating on a scale from 5 to 1 by all individual Directors. Every Director has to fill the questionnaire related to the performance of the Board, its committees and individual Directors except himself. On the basis of the response to the questionnaire, a formal annual evaluation shall be made by the Nomination and Remuneration Committee of the performance evaluation of the Board and that of its Committees and individual Directors.

d) Disclosure in Board Report through a statement indicating the manner in which formal annual evaluation of the performance has been made of Board, its Committees and of individual Directors - Section 134(3)(p) of the Act.

VIII. <u>GUIDELINES RELATING TO THE REMUNERATION FOR THE DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL</u>

1. General

a) The remuneration / compensation / commission etc. to Managing Director and Whole Time Director 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 in compliance with the applicable provisions of the Companies Act, 2013 and the rules made thereunder and Listing Regulations.

b) The remuneration and commission to be paid to Managing Director & Whole-time Director(s) shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company/terms of appointment approved by the Board or shareholders, as the case may be and as per the provisions of the Companies Act, 2013 and the rules made thereunder and Listing Regulations.

c) Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be approved by the Shareholders in the case of Managing Director & Whole-time Director. Increments will be effective as per the terms of appointment or 1st April as the case may be, subject to compliance of applicable law/regulations.

d) Where any insurance is taken by the Company on behalf of its Whole-Time Director, KMP and Senior Management Personnel 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.

e) The KMP, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR policies and / or as may approved by the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, medical expenses etc. shall be as per the Company's HR policies.

f) The annual variable pay of managers is linked to the performance of the Company in general and their individual performance for the relevant year measured against Company's objectives fixed in the beginning of the year.

g) The annual increment in Salary of KMPs (other than Managing Director/Whole-time Directors), Senior Management Personnel shall be approved by the Board and other employees shall be made as per HR policy of the Company.

h) This Remuneration Policy shall apply to all future / continuing employment / engagement(s) with the Company. In other respects, the Remuneration Policy shall be of guidance for the Board.

2. Remuneration to Managing Director and Whole-time Director

a) Fixed pay

The Managing Director and Whole-time Director shall be eligible for remuneration as may be approved by the Board of the Company on the recommendation of the Committee. The break-up of the pay scale, performance bonus/commission 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 shall be within the overall remuneration approved by the shareholders.

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 Managing Director and Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013

c) Provisions for excess remuneration

If any Managing Director and Whole-time Director 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 approval required under the Act, he/ she shall refund such sums to the Company, within two years or such lesser period as may be allowed by the Company 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 approved by the Company by Special Resolution within two years from the date the sum becomes refundable.

3. Remuneration to Non-Executive / Independent Director

a) Remuneration / Commission:

The Board of the Company on the recommendation of the Committee may approve the remuneration / profit-linked commission to Non-Executive/Independent Directors in accordance with the statutory provisions of the Act, and the rules made thereunder for the time being in force, subject to approval of Shareholders

b) Sitting Fee

The quantum of sitting fees will be determined as per the recommendation of the Committee and approved by the Board of Directors of the Company. The Non- Executive / Independent Director may receive remuneration by way of sitting fee for attending meetings of Board or Committee thereof. Provided that the amount of such fee shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. Further, the boarding and lodging expenses shall be reimbursed to the Directors.

c) Limit of Remuneration /Commission

Remuneration/Commission may be paid within the monetary limit approved by Board/shareholders 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.

IX. DIVERSITY

The Committee shall ensure that the composition of the Board is in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and as applicable to the Company.

X. IMPLEMENTATION AND COMPLIANCE

a) The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
b) The Committee may sub-delegate any of its powers to any one or more of its members/KMPs/Senior Management as and when required in compliance with the Act.
c) The Committee shall ensure compliance with this Policy as per Act & Listing Regulations.

XI. DISCLOSURE

The details of this Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Board's Report therein or alternatively the same may be put up on the Company's website and reference drawn thereto in the Annual Report.

Non-Executive Directors shall disclose their shareholding held either by them or on a beneficial basis for any other persons in the listed entity in which they are proposed to be appointed as Directors, in the notice to the general meeting called for appointment of such Director. (Regulation 26 (4) of listing regulations).

XII. AMENDMENTS

This Policy may be amended by the board at any time on its own and/or as per the recommendations of the Nomination and Remuneration Committee can amend this Policy, as and when deemed fit and is subject to (i) amendments to the Companies Act, 2013 (the Act 2013) and (ii) further guidelines and enactments by the SEBI, including LODR Regulations.

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 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.

XIII. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Companies Act, SEBI Listing Regulations or any other statutory enactments or rules as maybe applicable, the provisions of the Companies Act, the SEBI Listing Regulations or any other such statutory enactments or rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to be severed from the Policy and the rest of the Policy shall remain in force.

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