



MONOMARK ENGINEERING (INDIA) LIMITED

NOMINATION AND REMUNERATION POLICY

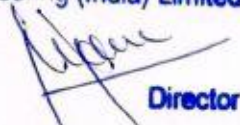
1. INTRODUCTION

- 1.1. Section 178 of the Companies Act, 2013 (as amended from time to time), require the Committee to recommend to the Board a policy in respect of selection, appointment, performance evaluation and removal of Independent Directors and other directors, including whole time directors, Key Management Personnel ("KMP") and other Senior Management Personnel ("SMP"), and a policy of remuneration to them.
- 1.2. The Nomination and Remuneration Policy ("**Policy**") of Monomark Engineering (India) Limited (*Formerly known as Monomark Engineering (India) Private Limited*) ("**Company**") is formulated under the requirements of the Companies Act, 2013 ("**Act**") as amended from time to time.
- 1.3. In case of any inconsistency between the provisions of law and this Policy, the provisions of the law shall prevail and the Company shall abide by the applicable law.

2. DEFINITIONS

- i. "**Board**" means Board of Directors of the Company.
- ii. "**Committee**" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act.
- iii. "**Company**" means Monomark Engineering (India) Limited (*Formerly known as Monomark Engineering (India) Private Limited*).
- iv. "**Independent Director**" means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules made there under.
- v. "**Key Managerial Personnel**" means-
 - Chief Executive Officer or Managing Director or Manager;
 - Company Secretary;
 - Whole-Time Director;
 - Chief Financial Officer;
 - 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.

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- vi. **"Senior Managerial Personnel" or "SMP"** means officers/ personnel of the Company who are members of its core management team. The core management team shall mean to members of management/ functional heads one level below the Managing Director.

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

3. PURPOSE

The purpose of the Policy is to:

- a) Formulation of the criteria for determining qualifications, positive attributes of Board, KMPs and SMPs and also independence of Independent Directors;
- b) Ensure that appointments and remuneration practices related to the Board, KMPs and SMPs are in compliance with statutory requirements, especially including those related to Independent Directors;
- c) Performance evaluation of Board including Independent Directors and its Committees;
- d) Remuneration to directors, KMP and SMP 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. SCOPE OF THE POLICY

This Policy applies to the Board, KMP and SMP of the Company.

5. TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

- 5.1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, KMP and other employees;
- 5.2. For every appointment of an Independent Director, 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. For the purpose of identifying suitable candidates as an Independent Director, the Committee may:
 - a) use the services of an external agencies, if required;
 - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c) consider the time commitments of the candidates
- 5.3. Formulation of criteria for evaluation of performance of Independent Directors and the Board of directors, its committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- 5.4. Devising a policy on diversity of board of directors;

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- 5.5. 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;
 - 5.6. 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;
 - 5.7. Recommend to the board, all remuneration, in whatever form, payable to senior management;
 - 5.8. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
 - 5.9. Determining 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;
 - 5.10. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - 5.11. Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
 - (i) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
 - (ii) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended; and
 - (iii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, by the Company and its employees, as applicable;
 - 5.12. Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee;
 - 5.13. Such other matters as may be required to be carried out by the Nomination and Remuneration Committee pursuant to amendment under any law, from time to time.
- 6. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SMP, APPOINTMENT OF DIRECTOR (INCLUDING INDEPENDENT DIRECTORS)**
- 6.1. 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.
 - 6.2. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
 - 6.3. As per the applicable provisions of Companies Act 2013, Rules made there under, the Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

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7. EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and SMP yearly or at such intervals as may be considered necessary as per the provisions of the Companies Act, 2013.

8. REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or SMP subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the Policy of the Company.

9. RETIREMENT

The Directors, KMP and SMP and other Employees shall retire as per the applicable provisions of the Act and the prevailing Policy of the Company. The Board will have the discretion in retaining the Director, KMP, SMP and any other Employee in the same position/ remuneration or otherwise even after attaining the retirement age, in the interest of the Company.

10. REMUNERATION TO DIRECTORS, KMPs, SMPs, OTHER EMPLOYEES.


A. 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 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.

B. 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 Committee and approved by the Board of Directors.
- ii. All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197(5) of the Companies Act, 2013) 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 Committee and approved by the Board of Directors or shareholders, as the case may be.
- iii. An Independent Director shall not be eligible to get stock options and also shall not be eligible to participate in any share based payment schemes of the Company.

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C. Remuneration to KMP and SMP:

- i. The remuneration to KMP and SMP 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.
- ii. 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.
- iii. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the KMP and SMP, to be decided annually or at such intervals as may be considered appropriate.

11. REVIEW AND AMENDMENT

- 11.1. The Company is committed to continuously reviewing and updating its policies and procedures. Therefore, this Policy is subject to modification. The Board on recommendation of the NRC may review the Policy as and when it deems necessary. The right to interpret/ amend/ modify this Policy vests in the Board of Directors of the Company.
- 11.2. In case any provision of this Policy is contrary to or inconsistent with the provisions of the Act, or any other applicable law for time being in force, the latter shall prevail.

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