



## Nomination and Remuneration Policy

### MOUNT HOUSING AND INFRASTRUCTURE LIMITED

#### NOMINATION AND REMUNERATION POLICY

##### Introduction

The Nomination and Remuneration Policy of Mount Housing and Infrastructure Limited has been formulated in accordance with Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This policy has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of the Company.

This policy shall specify the criteria for the payment of equitable remuneration to the Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company.

##### Scope of the Policy

The scope of the Policy is to:

Guide the Board in matters relating to the identification, appointment and removal of Directors, Key Managerial Personnel and Senior Management.

Formulate the criteria for determining the qualifications, positive attributes and independence of a Director.

Determine whether to extend or continue the term of appointment of an Independent Director.

Recommend to the Board the criteria for the payment of remuneration to the Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company.

Formulate the criteria for evaluation of performance of the Board of Directors and the independent directors.

Lay down the criteria for board diversity.

Develop a succession plan for the Board.

##### Definitions

**Act** means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.

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

**Committee** refers to the Nomination and Remuneration Committee of the Board of Directors.

**Key Managerial Personnel** means-

- 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
- vi. such other officer as may be prescribed.

**Independent Director** means a Director referred to in Section 149(6) of the Companies Act, 2013.

**Senior Management** means officers/ personnel of the company who are members of its core management team excluding the 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 the company secretary and the chief financial officer.

Words and expressions used in this Policy but not defined herein shall have the meaning ascribed to them in the Companies Act, 2013, the Rules framed there under and the Listing Regulations.

## **1. Appointment Criteria and Qualifications**

- The Committee shall identify and ascertain the qualification, expertise, industry experience, integrity, background and other qualities of a person, for appointment as Director, KMP or Senior Management and shall recommend to the Board his/ her appointment.
- A person to be appointed as a Director, KMP or Senior Management should possess adequate qualification, expertise and experience for the position he / she is being considered for. The Committee has the discretion to decide whether the qualification, expertise and experience possessed by a person is sufficient/ satisfactory for the position concerned.
- The appointment of an Independent Director is subject to compliance with the provisions of Section 149 of the Companies Act, 2013, read with Schedule IV and the rules made thereunder and the SEBI Listing Regulations.

## **2. Term / Tenure**

### **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 the 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 would be eligible for re-appointment for another term of five consecutive years on passing of a Special Resolution by the members of 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 the 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 an Independent Director, it should be ensured that the number of Boards on which such an Independent Director serves is restricted to the limit as laid down in the Companies Act, 2013 and the Listing Regulations.

### **c. Key Managerial Personnel and Senior Management**

After taking into consideration the specific requirements of the Senior Management / Key Managerial Personnel position to be filled up, the Committee would select the appointees in line with the recruitment policy of the Company.

## **3. Remuneration**

### **a. General**

- The remuneration / compensation / commission etc to be paid to Directors, KMP and Senior Management shall be determined by the Committee and recommended to the Board of Directors for approval.
- The remuneration and commission to be paid to the Managing Director/ Whole-time Director shall be in accordance with the provisions of the Companies Act, 2013, the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the shareholders in case of the Managing Director / Whole-time Director.

### **b. Remuneration to Managing Director / Whole-time Director / Executive Director**

- They shall be eligible for remuneration as may be approved by the shareholders of the Company on the recommendation of the Committee and the Board of Directors. The remuneration package to be recommended for the Managing Director and Whole-time Director should be in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The break-up of the remuneration 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 and the Central Government, wherever required.
- 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, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **c. Remuneration to Non-Executive / Independent Director**

- The remuneration payable to each Non-Executive Director shall be based on the remuneration structure as recommended by the Committee and approved by the Board, within the limits prescribed by the Companies Act, 2013, the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Commission may be paid within the monetary limit approved by the shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
- An independent Director shall not be eligible to any stock option of the Company.

### **d. Remuneration to KMP and Senior Management Personnel**

The remuneration to be paid to the KMP's and the Senior Management Personnel shall be recommended by the Committee and approved by the Board.

### **e. Remuneration to other employees**

The compensation to be paid to the other employees shall be as per the compensation policy of the Company.

## **4. Board Diversity**

The Committee shall assist the Board in the nomination process to ensure that the Board of Directors consist of members with diversified skills, knowledge, experience, expertise, gender and perspectives, in order to meet the changing requirements of the business of the Company.

## **5. Evaluation**

The Committee shall formulate the criteria and framework for the evaluation of the performance of every Director on the Board of the Company.

## **6. Removal**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, the removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

## **7. 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 Directors, KMP and Senior Management in the same position/ remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

## **8. Succession Plan**

The Committee shall develop and review the succession plan in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management, so as to ensure smooth succession at all times.



## Nomination and Remuneration Policy

### **Amendments to the Policy**

The Board of Directors on its own and / or as per the recommendations of the Nomination and Remuneration Committee can amend this policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the competent authorities, not being consistent with the provisions laid down in this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions herein and this Policy shall stand amended accordingly, without any further action, on and from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

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