



NOMINATION AND REMUNERATION POLICY

M G F Developments Limited

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NOMINATION AND REMUNERATION POLICY

1. 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 of **MGF Developments Limited** has been formulated by the Nomination and Remuneration Committee and recommended by the Committee to the Board of Directors.

This policy shall act as guidelines on matters relating to the appointment, removal, remuneration and evaluation of the performance of the Directors, Key Managerial Personnel and Senior Management.

2. Applicability:

This policy is applicable to all the Directors, Key Managerial Personnel (KMP) and Senior Management team and other employees of MGF Developments Limited (“Company”).

3. Definitions:

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

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

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

“**Key Managerial Personnel**” means

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii. Chief Financial Officer;
- iii. Company Secretary; and
- iv. Such other officer as may be prescribed.

“**Other Employees**” means all employees other than the Directors, KMPs and the Senior Management Personnel.

“**Policy or This Policy**” means, “Nomination and Remuneration Policy.”

“**Senior Management**” means the personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

4. Constitution of the Nomination and Remuneration Committee:

The Board has the power to constitute / reconstitute the Committee from time to time in order to make it consistent with the policy of the Company and applicable statutory requirements. At present, the Nomination and Remuneration Committee of the Company comprises of the following members:

- Mr. Rakshit Jain, Chairman
- Mr. Azhar Quadir, Member
- Mr. Shashwat Gaur, Member

5. Key Objectives of the Committee:

- a) To guide the Board in relation to the appointment and changes in Directors, Key Managerial Personnel and Senior Management;
- b) To evaluate the performance of the Members of the Committee;
- c) To attract, retain and motivate the Directors, Key Managerial Personnel and Senior Management.
- d) To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- e) To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Director (Executive & Non- Executive/ Independent) and persons who may be appointed in Senior Management, Key Managerial Personnel.
- f) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- g) To determine remuneration based on Company's financial position and trends on remuneration prevailing in the industry;
- h) To consider any other matter as may be requested by the Committee.

The Chairperson of the Nomination and Remuneration Committee or, in his absence, any other member of the Committee authorised by him, shall be present at the General meetings of the Company, to answer the shareholders queries, if any.

6. Meetings:

The meetings of the Committee shall be held at such regular intervals as deemed fit and appropriate.

The Committee members may attend the meeting physically or through Video conference or through permitted audio-visual mode, subject to the provisions of the applicable laws. The Committee shall have the authority to call such employee(s), and/or senior official(s) as it deems fit.

7. Appointment of Director, Key Managerial Personnel & Senior Management:

- a) The Committee shall identify and ascertain the qualification, expertise and experience of the person for appointment as Director or KMP or Senior Management and recommend to the Board his /her 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 is sufficient /satisfactory for the concerned position.
- c) Appointment of Independent Directors is also subject to compliance of provisions of Section 149 of the Companies Act, 2013, read with rules thereunder.

8. Term / Tenure:

- a) The Company shall appoint or re-appoint any person as its Key Managerial Personnel 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) 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.

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.

9. Remuneration of Key Managerial Personnel (KMP) and Senior Management:

- a) The Remuneration to Key Managerial Personnel (KMP) and Senior Management will be determined by the Committee and recommended to the Board for approval.
- b) The Remuneration to be paid for KMP shall be subject to the prior approval of the shareholders of the Company and Central Government, wherever required.
- c) The remuneration and commission to be paid to KMP shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- d) If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its KMP in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
- e) Increments if declared to the existing remuneration structure shall be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of KMP.
- f) Increments if declared will be effective from 1st April of each financial year in respect of KMP and Senior Management subject to other necessary approvals from statutory authorities as may be required.

10. Remuneration to Non-Executive / Independent Directors:

i. 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.

ii. 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.

10. Evaluation and Removal:

i. Evaluation

The Committee shall carry out evaluation of the performance of every Director, KMP and Senior Management on yearly basis.

ii. Removal

The Committee may recommend, to the Board with reasons removal of a Managerial Personnel, Director, KMP or Senior Management subject to the provisions of Companies Act, 2013.

11. Amendment to the Policy:

The Board of Directors on its own and / or as per the recommendations of 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 relevant authorities, 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, circular(s) etc.
