



***Nomination and Remuneration Policy***

The Nomination and Remuneration Committee of Macpower CNC Machines Limited is established under the Section – 178 of the Companies Act, 2013. The constitution of Committee was approved by Board of Directors in meeting held on December 01, 2017.

## **1. MEMBERSHIP OF THE COMMITTEE**

### **❖ COMPOSITION**

The Committee consists of:

- A minimum of three members of the Board
- Only Non-Executive Directors
- A Non-Executive/ Independent Director as Chair
- A majority of Independent Directors

Company Secretary of the Company shall act as a Secretary to the Nomination and Remuneration Committee.

### **❖ MEMBERSHIP**

The Board may appoint such Additional Directors to the Committee or remove and replace members of the Committee by the resolution. Members may withdraw from membership by written notification to the Board. Any director not formally a Member of the Committee may attend Committee meetings. However, only nominated directors may vote on matters before the Committee.

Non-Committee members, including members of the management may attend all or part of a meeting of the Committee at the invitation of the Committee chair.

## **2. ADMINISTRATIVE MATTERS**

### **❖ MEETINGS**

The Committee will meet as often as the Committee members deem necessary in order to fulfill their role and meet as & when the need arise for review of Managerial Remuneration.

### **❖ QUORUM**

The quorum for the meeting shall be one third of the total strength of the Committee or two members, whichever is higher.

#### ❖ CONVENING AND NOTICE OF MEETING

Any member may, and the Company Secretary must open request from any member, convene a meeting of the committee. Notice will be given to every member of the Committee of the every meeting of the Committee at members' advised address for service of notice [or such other pre-notified interim address where relevant] at least Seven days in advance.

#### ❖ CHAIR

In the absence of the Committee chair, the Committee members must elect one of their members as chair for that meeting. The Chair has a casting vote.

#### ❖ ACCESS TO RESOURCES AND INDEPENDENT ADVISERS

The Committee is to have access to adequate internal and external resources. For example, the Committee may seek the advice of the Company's auditors, solicitors or other independent advisers [including external consultants and specialists] as to any matter pertaining to the powers or duties of the Committee or the responsibilities of the Committee, as the Committee may require.

#### ❖ MINUTES

Minutes of the Meetings of the Committee must be kept by the Company Secretary and after approval by the Committee chair, be presented at the next Board Meeting.

#### ❖ REPORTING

The Committee chair will if requested, provide a report as to any material matters arising out of the Committee meeting. All directors will be permitted, within the Board Meeting to request information of the Committee chair or members of the Committee.

### **3. ROLE AND RESPONSIBILITIES**

- Identify person who are qualified to become Directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluations of every Director's performance.

- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- 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
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for Directors, Key Managerial Personnel [KMP] and other employees.
- Decide the Salary, Allowances, Perquisites, Bonus, Notice period, Severance fees and increment of Executive Directors.
- Define and implement the Performance Linked Incentive Scheme [including ESOP of the Company] and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole – Time Directors.
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
- To formulate and administer the Employee Stock Option Scheme.
- Formulate the assessment/ evaluation criteria for performance evaluation of the Directors of the Company.
- Devise a policy on the Board diversity.
- Carry out any other function as is mandated by the Board from time to time and /or enforced by any statutory notification, amendment or modification, as may be applicable.

#### **4. APPOINTMENT OF MANAGERIAL PERSONNEL, DIRECTOR, KMP AND SENIOR MANAGEMENT**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Personnel, 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 Schedule IV and rules thereunder and the Listing Agreement.

## **I. TERM / TENURE**

### **A. Managerial Personnel:**

The Company shall appoint or re-appoint any person as its 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. 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 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. 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.

The maximum tenure of Independent Directors shall also be in accordance with the Companies Act, 2013 and any amendment thereto from time to time.



**II. REMUNERATION OF MANAGERIAL PERSONNEL, KMP AND SENIOR MANAGEMENT:**

- a) The Remuneration / Compensation / Profit linked Incentive etc. to Managerial Personnel, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The Remuneration / Compensation / Profit Linked Incentive etc. to be paid for Managerial Personnel shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- c) If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel 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.
- d) If any Managerial Personnel 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 prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.
- e) Increments if declared to the existing remuneration / compensation structure shall be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managerial Personnel.
- f) Increments if declared will be effective from 1st April of each financial year in respect of Managerial Personnel, KMP, Senior Management subject to other necessary approvals from statutory authorities as may be required.
- g) Where any insurance is taken by the Company on behalf of its Managerial Personnel, KMP and Senior Management 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.

**NOTE: AT PRESENT THE REMUNERATION OF MANAGING DIRECTOR AND WHOLE-TIME DIRECTOR IS AS PER AGREEMENT EXECUTED AND APPROVED BY SHAREHOLDERS AND SHALL BE VALID TILL THEIR TERM OF APPOINTMENT OR UNTIL RATIFIED BY SHAREHOLDERS.**



### **III. REMUNERATION TO INDEPENDENT DIRECTOR**

No remuneration shall be paid to Independent Director.

### **IV. REMUNERATION TO NON- EXECUTIVE NON INDEPENDENT DIRECTOR**

Remuneration to Non-Executive Non Independent Director may be paid as per section 197 of the Companies Act, 2013 and rules made thereunder.

## **5. PROCEEDING OF COMMITTEE MEETINGS**

The Proceeding of all meetings of the Committee must be written in English Language and it should be serially numbered.

Minutes of the Committee meetings will be placed before the subsequent Board and Committee meeting.

The proceeding of the meeting of the committee must be signed and dated by the Chairman of the Committee at the subsequent meeting.

**Note:** *The Board shall have the right to amend the policy from time to time without assigning any reason whatsoever and do all such acts and things as may be necessary from time to time.*

## **6. DISCLOSURE**

The details of this policy and the evaluation criteria as applicable shall be disclosed and placed at website of the Company.

