



TECHNOCRAFT VENTURES LIMITED

(Formerly known as M/s Technocraft Construction Private Limited)

ISO 4500:2018 | ISO 14001:2015 | ISO 9001:2015 Certified

NOMINATION AND REMUNERATION POLICY

Corporate Office: TECHNO TOWER, B-137, Sector 2, Near Sector 15 Metro Station, Noida (U.P.)-201301

Registered Office: S 553/54, Ground Floor, School Block, Shakarpur, New Delhi-110092

Phone: 0120-4216717 | E-mail: info@technocraftconstruction.com

CIN: U70101DL1998PLC096763

1. Introduction

- 1.1. Technocraft Ventures Limited (the “**Company**”) strives to ensure the highest levels of integrity, quality and service in its business. The Company is committed to ensuring that remuneration commensurate with the role and responsibilities is paid to the directors, key managerial personnel and senior management personnel.
- 1.2. This remuneration policy for directors, key managerial personnel and senior management personnel (“**Policy**”) has been formulated in accordance with the requirements that are laid down under Section 178 (3) of the Companies Act, 2013 (the “**Act**”) and Regulation 19(4) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “**Listing Regulations**”).
- 1.3. This Policy reflects the remuneration philosophy and principles of the Company and considers the pay and employment conditions with peers / competitive market to ensure that pay structures are appropriately aligned.

2. Effective Date

This Policy will come into effect from the date of its adoption by the Board.

3. Objectives and Purpose

- 3.1. As per the provisions of the Act and the Listing Regulations, the NRC of the Board is responsible for laying down appropriate criteria for a policy relating to the remuneration of directors, key managerial personnel and other employees of the Company.
- 3.2. This Policy is being put down to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company.
- 3.3. The key objectives of this Policy are:
 - (a) to recommend the remuneration of the Directors, KMPs, and SMPs to the Board;
 - (b) to ensure that the level and composition of the remuneration is reasonable and sufficient to attract, retain and motivate senior management of the quality required to run the company successfully;
 - (c) to ensure that the remuneration of Directors, KMPs, and Senior Management Personnel 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;
 - (d) to lay down criteria and terms and conditions with regard to identifying persons who are qualified to be appointed to the position of Directors, KMPs and Senior Management Personnel, and to determine their remuneration;
 - (e) to achieve a performance-driven culture that generates organizational growth;
 - (f) to attract, retain and motivate the best talent to run the business efficiently and effectively;
 - (g) to ensure the financial and operating performance of the Company over the preceding three years is considered while determining the remuneration;
 - (h) to ensure there is a principle of proportionality while determining the remuneration; and
 - (i) to provide clear focus and measurement on key objectives with a meaningful link to rewards.

4. Definitions

- 4.1. Except where the context otherwise requires, the following capitalized words and expressions shall have the meaning as specified hereunder:
 - (a) “**Act**” shall have the meaning ascribed to the term in paragraph 1.2;

- (b) “**Board**” shall mean the Board of Directors of the Company, as constituted from time to time as per the relevant laws and regulations;
- (c) “**Company**” shall have the meaning ascribed to the term in paragraph 1.1;
- (d) “**DIN**” means the director identification number as defined under Rule 2(1)(b) of the Companies (Appointment and Qualifications of Directors) Rules, 2014;
- (e) “**Director**” shall mean members of the Board;
- (f) “**Executive Director**” means the Directors who are in whole-time employment of the Company viz. Managing Director and Whole-time Director;
- (g) “**Non-Executive Director**” means Directors who are not in whole-time employment of the Company;
- (h) “**Independent Directors**” means Directors appointed in accordance with Section 2(47) and Section 149 of the Act and Regulation 16(b) of the Listing Regulations;
- (i) “**Key Managerial Personnel**” or “**KMP**” means the key managerial personnel as defined under Section 2(51) of the Act read with Regulation 2(o) of the Listing Regulations;
- (j) “**Listing Regulations**” shall have the meaning ascribed to the term in paragraph 1.2;
- (k) “**Senior Management Personnel**” or “**SMP**” shall mean officers/ personnel of the Company who are members the core management team excluding the Board and 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 company secretary and chief financial officer; and
- (l) “**NRC**” means the Nomination and Remuneration Committee constituted pursuant to the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

4.2. Further, the words and expressions used in this Policy and not defined herein but defined in the Act and the Listing Regulations, as may be amended from time to time, and shall have meaning respectively assigned to them therein.

5. Scope of the Policy

The remuneration policy is the guiding principle on the basis of which the NRC will recommend to the Board the remuneration payable to its Directors, Key Managerial Personnel and Senior Managerial Personnel.

6. Composition, Quorum and Meetings of the NRC

Pursuant to the provisions of Section 178 and other applicable provisions, if any, of the Companies Act and Regulation 19 of the SEBI Listing Regulations, the Nomination and Remuneration Committee (“Committee”) of the Company will be constituted as hereunder:

- 6.1. The NRC shall comprise of at least three directors and all directors of the NRC: (a) shall be non-executive directors; and (b) at least two-thirds of the directors shall be independent directors.
- 6.2. The Chairperson of the NRC 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 NRC and shall not chair the NRC.
- 6.3. The quorum for a meeting of the NRC shall be either two members or one third of the members of the NRC, whichever is greater, including at least one independent director in attendance.
- 6.4. The chairperson of the NRC 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.
- 6.5. The NRC shall meet at least once a year.

- 6.6. The head of human resources for the Company shall assist the NRC and would be a permanent invitee to the meetings of the NRC, except in the event the meeting pertains to discussions involving the permanent invitee.
- 6.7. The company secretary of the Company shall act as the secretary to the NRC.

7. Role of the NRC

The Role of the NRC shall, *inter alia*, include the following:

- (a) 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, key managerial personnel and other employees. While formulating the above policy, the NRC should ensure that:
- (i) The level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate the director of quality required to run the Company successfully;
 - (ii) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (iii) 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;
- (b) Advise and recommend to the Board on various matters relating to the appointment, removal and remuneration (including changes, if any) of the Directors, SMP and KMP;
- (c) Formulating performance evaluation criteria for all Independent Directors and the Board;
- (d) Identifying persons who are qualified to become directors and who may be appointed in senior management, in accordance with the prescribed criteria;
- (e) Assist and advise the Board in overseeing succession planning for Directors, SMP and KMP;
- (f) Recommend to the Board all remuneration, in whatever form, payable to senior management;
- (g) Assist and advise the Board in ensuring a transparent nomination process to the Board with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- (h) To act as Administrator and superintendent of the stock option plans of the Company;
- (i) Devising a policy on diversity of the Board; and
- (j) Carrying out any other functions required to be carried out by the NRC as is mandated by the Board as required under the Listing Regulations or any other applicable law, as and when amended from time to time.

8. Appointment and Removal of Directors

- 8.1. The NRC shall identify and ascertain the integrity, qualification, expertise and experience of a person for their appointment as Director, KMP or SMP and make recommendations to the Board regarding their appointment.
- 8.2. A person should possess adequate qualifications, expertise and experience for the position they are being considered for appointment. Accordingly, the NRC has discretion to decide whether the qualification, expertise and experience possessed by such a person is sufficient/satisfactory for the concerned position.
- 8.3. Appointment of Directors is subject to compliance with Section 164 of the Act and provisions of other applicable laws and shall not be debarred from holding the office of Director by virtue of any SEBI order or any other authority, pursuant to NSE and BSE Circular dated June 20, 2018.
- 8.4. Appointment of Independent Directors shall be subject to compliance with Section 149 of the Act read with Schedule IV and the Listing Regulations and shall be registered with Independent Directors databank managed Indian Institute of Corporate Affairs in compliance with Rule 6(3) of the Companies (Appointment and Qualification

of Directors) Rules, 2014 and shall comply with the requirement under Rule 6(4) of the aforesaid rules.

- 8.5. The Independent Directors shall abide by the “Code for Independent Directors” as specified in Schedule IV to the Act.
- 8.6. The proposed appointee shall also fulfil the following requirements:
- (a) shall possess a DIN;
 - (b) shall not be disqualified under the Act, the Listing Regulations and any other relevant law;
 - (c) shall give his written consent to act as a Director;
 - (d) shall endeavour to attend all Board meetings and, wherever he is appointed as a committee member, the committee meetings;
 - (e) shall abide by the Code of Conduct established by the Company for Directors and SMP;
 - (f) shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals, including his shareholding, at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
 - (g) such other requirements as may be prescribed, from time to time, under the Act, the Listing Regulations and other relevant laws;
 - (h) The removal of Directors may be warranted due to reasons such as disqualification prescribed under the applicable laws and/or disciplinary reasons. In such a situation, the NRC shall, in consultation with the Board, review the performance and/or other factors and, subject to the provisions of the applicable laws and the Articles of Association of the Company, recommend to the Board its course of action; and
 - (i) The resultant vacancy caused by the removal of Directors may be filled by the NRC in accordance with this policy and the applicable laws.

9. Other Directorships

- 9.1. A Director shall not serve as a director in more than 20 companies, of which not more than 10 shall be public limited companies.
- 9.2. A Director shall not serve as an independent director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time director/ managing director in any listed company.
- 9.3. A Director shall not be a member of more than 10 committees or act as chairman of more than 5 committees across all listed companies in which he holds directorships.
- 9.4. For the purpose of considering the limit of the committees, the audit committee and the stakeholders’ relationship committee of all the companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Act shall be excluded.

10. Remuneration

10.1. Remuneration to Executive Directors, Key Managerial Personnel and Senior Management Personnel

- (a) The NRC will recommend the remuneration payable to the Executive Directors, based on which the Board will fix the remuneration of the Executive Directors within the limits approved by the shareholders.
- (b) The NRC will recommend the remuneration payable to KMP based on which the Board will fix the remuneration. In case of any KMP on the Board then the remuneration fixed should be within the limits approved by the shareholders.

10.2. Remuneration to Whole Time/ Executive/Managing Director

- (a) The Whole-time Director/ KMP and such other employees shall be eligible for remuneration as may be approved by the Board on the recommendation of the NRC. The breakup of the pay scale and quantum of perquisites including, employer's contribution to provident fund, pension scheme, medical expenses, etc, shall be decided and approved by the Board/ the person authorized by the Board on the recommendation of the NRC and approved by the shareholders and Central Government, wherever required.
- (b) If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act.
- (c) If any Whole-time Director draws or receives, directly or indirectly by way of remuneration, any such sums in excess of the limits prescribed under the Act or without approval as required under the Act, where required, 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 to the Company, the Director shall hold such excess remuneration in trust for the Company.
- (d) Further, the Company shall not waive the recovery of any sum refundable as above unless approved by the Members of Company by way of special resolution within two years from the date the of such sum becomes refundable.

10.3. Remuneration to Non-Executive, including Independent Directors

- (a) Non-Executive Directors are paid remuneration by way of commission and sitting fees for attending Board and committee meetings.
- (b) The Company pays sitting fees for attending meetings of the Board and committees to Non-Executive Directors within the limits prescribed under the Act.
- (c) Commission, if any, may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% p.a. of the profits of the Company (computed in accordance with the Act).
- (d) An Independent Director shall not be entitled to any stock option or stock appreciation rights of the Company and may receive remuneration by way of fees provided under Section 197 of the Act, reimbursement of expenses for participation in the Board and other meetings and profit related commission, if any, as may be approved by the members of the Company
- (e) If, in any financial year, the Company has no profits or its profits are inadequate, the Company may pay remuneration to its Non-Executive Directors in accordance with the provisions of Schedule V of the Act by seeking relevant approvals.

10.4. Remuneration to Key Managerial Personnel and Senior Management Personnel

The SMP and KMP's shall be paid remuneration as per the Company's human resource and compensation policies. The break-up of the pay scale and other components shall be governed by human resource policies of the Company.

The Company's total compensation for Key Managerial Personnel/ Senior Management, as defined under the Act / other employees will consist of:

- i. fixed compensation
- ii. performance bonus or incentives, tied to individual and organizational performance metrics
- iii. benefits and perks related facilities, and perquisites
- iv. Statutory benefits such as provident fund, gratuity, etc.

In addition, KMPs/SMPs/ Employees will be eligible for ESOPs, as per the ESOP scheme in force from time to time.

- (a) Fixed compensation will be determined on the basis of size and scope of the job typically as reflected by the level or grade of the job, trends in the market value of the job and the skills, experience and performance of the employee. Fixed compensation will include basic salary, housing allowance, leave travel allowance and a cash allowance.

- (b) The performance bonus (variable pay) of KMPs/ SMPs/ employees will be tied to individual and organizational performance metrics.
- (c) Employees will also be eligible for work related facilities and perquisites as may be determined through human resources policies issued from time to time based on the grade of the employee. (k) A formal annual performance management process will be applicable to all employees, including senior executives. Annual increases in fixed and variable compensation of employees will be directly linked to the performance ratings of individual employee.

11. Retirement of Director, KMP and SMP

11.1. The Company shall not appoint a person or continue the directorship of any person as a:

- (a) Independent Director or an Executive Director who has not completed the age of 21 years;
- (b) Managing Director or Whole-Time Director who has attained the age of 70 years; and
- (c) Non-Executive Director who has attained the age of 75 years.

11.2. However, with the approval of the members as special resolution, the Company may appoint or continue the term of an Executive Director who has attained the age of 70 years and a Non- Executive Director who has attained the age of 75 years.

11.3. Further, the retirement age of KMP and SMP is 60 years and any extension at the discretion of the Company and as may be mutually agreed by the Company and KMP/ SMP may be provided.

12. Board Diversity

The NRC shall ensure that no person is discriminated against on grounds of gender, age, sexual orientation, marital status, pregnancy, any medical conditions, national origin or ancestry, religion, race or any other personal or physical attribute which does not determine the ability of any person for the role they are being considered.

The NRC shall review and evaluate the Board composition to ensure that the Board and its committees have the appropriate mix of skills, experience, independence and knowledge to ensure their continued effectiveness.

13. General

Notwithstanding anything contained in this Policy, the Company shall ensure compliance with any additional requirements as may be prescribed under any laws/regulations either existing or arising out of any amendment to such laws/regulations or otherwise and applicable to the Company, from time to time.

14. Amendment

Any change in the Policy shall be approved by the Board. The Board shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board shall be final and binding.

15. Interpretation

In case of any subsequent changes in the provisions of the aforementioned statutes, the statutes would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with prevailing law. Any subsequent amendment/modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

16. Conflict of Policy

In the event of any conflict between this Policy and the provisions contained in the applicable laws, the provisions of applicable laws shall prevail.

17. Disclosures

This Policy will be disclosed on the Company's website at www.technocraftventures.com.

For Technocraft Ventures Ltd.


Director