

NOMINATION AND REMUNERATION POLICY

1. INTRODUCTION

The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and the listing agreement in order to pay equitable remuneration to the Directors, KMPs and employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company.

2. OBJECTIVE AND PURPOSE OF THE POLICY

The objectives and purpose of this policy are:

2.1 To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees. This includes, reviewing and approving corporate goals and objectives relevant to the compensation of the Chief Executive Officer ("CEO"), evaluating the CEO's performance in light of those goals and objectives, and, either as a committee or together with the other independent directors (as directed by the board), determine and approve the CEO's compensation level based on this evaluation; and making recommendations to the board with respect to non-CEO executive officer compensation, and incentive-compensation and equity-based plans that are subject to board approval;

2.2 The policy also addresses the following items: Committee member qualifications; Committee member appointment and removal; Committee structure and operations; and Committee reporting to the Board.

2.3 To formulate the criteria for evaluation of performance of all the Directors on the Board;

2.4 To devise a policy on Board diversity; and

2.5 To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.

3. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted the "Nomination and Remuneration Committee" of the Board on 6th February, 2017 this is in line with the requirements under the Companies Act, 2013 ("Act").

The Board has authority to reconstitute this Committee from time to time.

4. DEFINITION

'Board' means Board of Directors of the Company.

'Directors' means Directors of the Company.

'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable listing agreements and/or regulations.

'Company' means Nitiraj Engineers Limited.

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

'Key Managerial Personnel (KMP)' means-

- i) the Managing Director or the Chief Executive Officer or the manager and in their absence, a Whole-time Director;
- ii) the Company Secretary; and
- iii) the Chief Financial Officer

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

5. MATTERS TO BE DEALT WITH PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The following matters shall be dealt by the Committee: -

(a) Size and composition of the Board:

Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole;

(b) Director:

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrant the appointment of a new Director, having regard to the range of skills, experience and expertise, on the Board and who will best complement the Board;

(c) Succession plans:

Establishing and reviewing Board and senior executive succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management;

(d) Evaluation of performance:

Make recommendations to the Board on appropriate performance criteria for the Directors. Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the options of the business, the industry and their legal responsibilities and duties.

(e) Board diversity:

The Committee is to assist the Board in ensuring Board nomination process with the diversity of gender, thought, experience, knowledge and perspective in the Board, in accordance with the Board Diversity policy

(f) Remuneration framework and policies:

The Committee is responsible for reviewing and making recommendations to the Board on:

- i) the remuneration of the Managing Director, Whole-time Directors and KMPs.

- ii) the total level of remuneration of Non-Executive Directors and for individual remuneration for Non-Executive Directors and the Chairman, including any additional fees payable for membership of Board committees;
- iii) the remuneration policies for all employees including KMPs, senior management and other employees including base pay, incentive payments, equity awards, retirement rights and service contracts having regard to the need to :
 - a) Attract and motivate talent to pursue the Company's long term growth;
 - b) Demonstrate a clear relationship between executive compensation and performance; and
 - c) Be reasonable and fair, having regard to best governance practices and legal requirements.
 - iv) The Company's equity based incentive schemes including a consideration of performance thresholds and regulatory and market requirements;
 - v) The Company's superannuation arrangements and compliance with relevant laws and regulations in relation to superannuation arrangements; and
 - vi) The Company's remuneration reporting in the financial statements and remuneration report.

6. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMPs AND SENIOR MANAGEMENT

(a) Appointment criteria and qualifications

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his / her appointment.
2. A person to be appointed as Director, KMP or senior management level 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.

3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth, complementary skills in relation to the other Board members.
4. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

(b) Term of Appointment:

The term of Appointment of Managing Director/ Whole Time Directors and Independent Directors of the Company shall be as per the provisions of the Companies Act, 2013 and the Rules made there under.

(c) Removal :

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

(d) Retirement:

The Whole-time Directors, KMP and senior management personnel 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 Whole-time Directors, KMP and senior management personnel in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

7. POLICY FOR EVALUATION OF PERFORMANCE OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

1. Evaluation of performance of Board and Individual Directors:

- a. Achievement of financial/ business targets as fixed by the Board;
- b. Proper development, management and execution of business plans;
- c. Display of leadership qualities i.e. correctly anticipating business trends and opportunities;
- d. Establishment of an effective organization structure;
- e. Participation in the Board/Committee Meetings;
- f. Integrity and maintenance of confidentiality;
- g. Any other criteria that may be considered necessary for the evaluation of the performance of the Board may be considered by the Committee.

2. Evaluation of performance of Committee:

- a. Discharge of its functions and duties as per its terms of reference;
- b. Effectiveness of the suggestions and recommendations received;
- c. Conduct of its meeting and procedures followed in this regard.

3. Review of the Implementation of this policy:

The Committee shall review the implementation and compliance of this policy at least once a year.

8. POLICY RELATING TO THE REMUNERATION FOR DIRECTORS, KMPS AND OTHER EMPLOYEES GENERAL

Remuneration of the Directors and Key Managerial Personnel must be in accordance with the provisions of Companies Act, 2013 and the Rules made there under. The committee must ensure that The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.

9. POLICY REVIEW

This policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of the clause 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.
