



# **Konstelec Engineers Limited**

CONSULTING ENGINEERS & EPC CONTRACTORS

CIN: U45203MH1995PLC095011

## **Nomination and Remuneration Policy**

**Approved and adopted vide Board resolution dated: 16/10/2023**



## **Nomination and Remuneration Policy:**

The terms of reference of Nomination and Remuneration Committee includes of the matters specified in Regulation 21 of the SEBI (LODR) Regulations, 2015.

### **INTRODUCTION:**

The Company has formulated Policy for the selection and appointment of Directors and fixing their remuneration. The Nomination and Remuneration (N&R) Committee has followed that policy which, inter alia, deals with the manner of selection of Board of Directors and CEO & Managing Director and fixing their remuneration and ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

### **Scope:**

This Policy sets out the guiding principles for the Human Resources, Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

### **Terms and References:**

In this Policy, the following terms shall have the following meanings:

3.1 **“Director”** means a director appointed to the Board of the Company.

3.2 **“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; and
- (v) such other officer as may be prescribed under the Companies Act, 2013.

**“Human Resources, Nomination and Remuneration Committee”** means the committee constituted by the Company’s Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

### **Criteria of selection of Non-Executive Directors:**

The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, operation, accounts, finance, taxation, law, governance and general management.

In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company



so as to enable the Board to discharge its function and duties effectively.

The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

The N&R Committee shall consider the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Director.

1. Qualification, expertise and experience of the Directors in their respective fields;
2. Personal, Professional or business standing;
3. Diversity of the Board.

In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

**Remuneration:**

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees for participation in the Board meetings.

A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**CEO & Managing Director - Criteria for selection /appointment:**

For the purpose of selection of the CEO & MD, the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

**Remuneration for the CEO, Managing Director and Executive Directors:**

At the time of appointment or re-appointment, the CEO & Managing Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the N&R Committee and the Board of Directors) and the CEO, Managing Director and Executive Directors within the overall limits prescribed under the Companies Act, 2013.



The remuneration of the CEO & Managing Director comprises fixed component and commission. The fixed component comprises salary, allowances, perquisites, amenities and retrial benefits.

**Remuneration Policy for the Senior Management Employees:**

In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the N&R Committee shall ensure the relationship of remuneration and performance benchmark is clear.

The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

For Konstelec Engineers Limited.

Sd/-  
Biharilal Ravilal Shah  
Managing Director  
DIN: 00337318

Sd/-  
Amish Biharilal Shah  
Whole Time Director  
DIN: 01415766

Date: 16/10/2023  
Place: Mumbai

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