

**NOMINATION AND
REMUNERATION POLICY**

MOHIT INDUSTRIES LIMITED

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[Under Section 178 of the Companies Act, 2013 and Regulation 19(4) & Schedule II Part D (A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of Mohit Industries Limited (“the Company”) constituted the “Nomination and Remuneration Committee”

COMPLIANCE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 and Regulation 19(4) & Schedule II Part D (A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ROLE OF THE COMMITTEE

The role of the committee will be the following

- a) To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- b) To formulate criteria for evaluation of Independent Directors and the Board.
- c) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- d) To carry out evaluation of Director’s performance.
- e) To recommend to the Board the appointment and removal of Directors and Senior Management.
- f) To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- g) To devise a policy on Board diversity, composition, size.
- h) Succession planning for replacing Key Executives and overseeing.
- i) To 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.
- j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

Key Managerial Personnel (“KMP”) 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 Such other officer as may be prescribed.

Senior Managerial Personnel means Personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

OBJECTIVE

The objective of the policy is to ensure that

- a) 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;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) Remuneration to directors, key managerial personnel and senior management 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.

APPOINTMENT CRITERIA FOR DIRECTOR/KMP AND SENIOR MANAGEMENT

- a) A person who is proposed to be appointed as a Director and/or Senior Management as a KMP should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the position.

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- b) A person shall not be eligible for appointment as a Director of a Company if he stands disqualified under the provisions mentioned in Section 164 of the Companies Act, 2013, rules made thereunder, SEBI Listing Regulations or any other enactment for the time being in force.
 - c) The Director shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, Rules made thereunder, SEBI Listing Regulations or any other enactment for the time being in force.
 - d) Appointment of Independent Director is subject to compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and Rules made thereunder the Act and SEBI Listing Regulations as amended from time to time.
 - e) On appointment to the Board, Independent Directors shall have to be issued a formal letter of appointment in accordance with the provisions of the Act and the Rules made thereunder.
 - f) Appointment of key Managerial Personnel ("KMP") is subject to compliance of Section 203 of the Companies Act, 2013, read with Rules made thereunder the Act (as amended from time to time).
 - g) The appointment of Senior Management Personnel (excluding KMP) will be decided by the Managing Director and their terms of appointment will be in accordance with the company policy.

TERM / TENURE OF APPOINTMENT FOR DIRECTORS/KMP AND SENIOR MANAGEMENT

- a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its, Managing Director or Whole Time Director 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.

The Company shall not appoint or continue the employment of any person as Managing Director or Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

- 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 re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, 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 or such other number as may be prescribed under the Act.

- c) Senior Management

In case of Senior Management (excluding KMPs at senior level) term/tenure of appointment will be as per Company rules and policy.

RETIREMENT AND REMOVAL OF DIRECTORS AND SENIOR MANAGEMENT

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company. Due to reasons for any disqualification mentioned in the Act or the Rules made thereunder or under any other applicable Act, Rules and regulations thereunder, a Director shall be removed from his directorship held with the Company.

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POLICY FOR REMUNERATION TO DIRECTORS / KMP / SENIOR MANAGEMENT PERSONNEL

1. Remuneration to Managing Director / Whole-time Directors
 - a. The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors/Executive Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
 - b. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole time Directors/Executive Directors.
2. Remuneration to Non-Executive/Independent Directors:

The Non-Executive/ Independent Directors may receive sitting fees as per the provisions of Companies Act, 2013. The amount of sitting fees, as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
3. Remuneration to Key Managerial Personnel and Senior Management:

The remuneration to Key Managerial Personnel and Senior Management, shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

FIXED PAY

The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

INCENTIVE PAY

The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

OTHERS

The Employee Welfare Schemes, such as provision of conveyance, extension of loans for house building and other purposes, etc. shall be in accordance with the conditions of service applicable to employees and in accordance with the Company's Nomination and Remuneration Policy.

POLICY ON BOARD DIVERSITY

- a) The Board of Directors shall have an optimum combination of Directors from different areas / fields as may be considered appropriate, as well as gender.
- b) The Board shall have at least one board member who has accounting or related financial management expertise and other members of the Board should be financially literate.
- c) The board shall have at least one woman director.
- d) To the extent feasible, the composition of the Board should be of individual from different functional domain areas.

DISCLOSURE OF THE POLICY

The remuneration policy and evaluation criteria of the committee shall be disclosed in the Board's report forming a part of the Annual Report of the Company.

FREQUENCY OF MEETINGS

The meetings of the Committee could be held at such regular intervals as may be required.

QUORUM

Minimum two (2) members shall constitute a quorum for the Committee meeting.

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CHAIRMAN

In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman. Chairman of Nomination and Remuneration Committee meeting could be present at the Annual General Meeting, to answer the Members queries. However it would be upto the Chairman to nominate some other member to answer the Members' queries.

MISCELLANEOUS

This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, rules made thereunder, SEBI Listing Obligations or any other applicable enactment for the time being in force.