



**NOMINATION AND REMUNERATION POLICY  
OF  
CORE4 ENGINEERS LIMITED**

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## 1. INTRODUCTION

Nomination and Remuneration Policy (“Policy”) of Core4 Engineers Limited is being formulated in compliance with Section 178 of the Companies Act, 2013 (“the Act”) and Regulation 19 read with part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Regulations”) as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel (“KMP”) and Senior Management Personnel (“SMP”) and other employees has been formulated by the Nomination and Remuneration Committee (“NRC”) and approved by the Board of Directors.

## 2. OBJECTIVE

To apprise and assure Board Members through the NRC that a robust framework is in place to support efficient business operations by securing requisite talent, offering competitive and appropriate remuneration for retaining the talent and implementing transparent system for performance evaluation and reward to promote a culture of high performance.

## 3. DEFINITIONS

The definitions of some key terms used in this policy are given below:

“Act” means the Companies Act, 2013 and rules framed thereunder, as amended from time to time;

“Board” means Board of Directors of the Company;

“Directors” means Directors of the Company;

“Employee” means employee of the Company whether employed in India or outside India including employees in the Senior Management Team of the Company;

“Committee” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time in accordance with the Act and applicable listing regulations;

“Company” means Core4 Engineers Limited;

“Independent Director” means a director other than Managing Director or a Whole time Director or a Nominee Director as more specifically set out under Section 149(6) of the Act and shall also have the meaning ascribed to the term “Independent Director” under Regulation 16(1)(b) of listing regulations;



“Key Managerial Personnel” or “KMP” means:

- i) Chief Executive Officer or the Managing Director or Manager;
- ii) Whole time Director
- iii) Company Secretary (CS);
- iv) Chief Financial Officer (CFO);
- v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board;
- vi) such other officer as may be prescribed.

“Senior Management” means the officers and personnel of the Company who are members of its Core Management Team, excluding the Board of Directors, and shall also comprise all the Members of the 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 of Directors) and shall specifically include the functional Heads by whatever name called and the persons identified and designated as Key Managerial Personnel, other than the Board of Directors, by the Company;

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as may be amended from time to time shall have the meaning respectively assigned to them therein.

#### **4. NOMINATION AND REMUNERATION COMMITTEE**

##### **4.1 Term of Reference:**

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the level and composition of remuneration of the directors, key managerial personnel, senior management and other employees;
2. For the appointment of an independent director, the committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the board of directors of the Company for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a) use the services of external agencies, if required;
  - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c) consider the time commitments of the candidates.



3. Formulation of criteria of evaluation of Independent Directors and the Board;
4. Devising a policy on Board Diversity;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
6. 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;
7. Recommend to the Board, all remuneration, in whatever form, payable to senior management;
8. While formulating the remuneration policy, 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.
9. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, if applicable;
10. Construing and interpreting the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan (“ESOP Scheme”) and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;
11. Administering the ESOP Scheme including the following:
  - a) Determining the eligibility of employees to participate under the ESOP Scheme;
  - b) Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
  - c) Date of Grant;
  - d) Determining the exercise price of the option under the ESOP Scheme;
  - e) Conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
  - f) Exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period
  - g) Specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;



- h) Right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
  - i) Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
  - j) The grant, vest and exercise of option in case of employees who are on long leave;
  - k) Allow exercise of unvested options on such terms and conditions as it may deem fit;
  - l) Procedure for cashless exercise of options;
  - m) Forfeiture/cancellation of options granted;
  - n) Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
    - the number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
    - for this purpose, global best practices in this area may be considered; and the vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
12. Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
- a) the SEBI PIT Regulations;
  - b) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable; and
  - c) SEBI LODR Regulations by the Company and its employees, as applicable.
13. Performing such other functions as may be delegated by the Board of Directors and/or specified/provided under the Act or Listing Regulations each as amended or by any other regulatory authority;

#### **4.2 Membership**

1. The Committee shall comprise of atleast three directors, all of whom shall be non-executive directors out of which atleast half shall be independent directors.
2. The quorum for the committee meeting shall be either two members or one third of the members of the Committee whichever is greater, including at least one independent director in attendance.



3. The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act and the SEBI LODR Regulations.
4. Membership of the Committee shall be disclosed in the Annual Report of the Company.

#### **4.3 Chairperson**

1. Chairperson of the Committee shall be an Independent Director.
2. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairperson of the Committee.
3. In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson.
4. Chairperson of the Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries. However, it shall be up to the chairperson to decide who shall answer the queries

#### **4.4 Frequency of Meeting**

The meeting of the Committee shall be held at such regular intervals as may be required but not less than one meeting in a financial year.

#### **4.5 Agenda, Minutes & Reports**

Meeting of the Committee can be held whenever required. The Chairperson of the Committee shall be responsible for establishing the agenda for meetings of the Committee. Minutes of all meetings of the Committee shall be prepared to document the discharge of responsibilities by the Committee. The minutes shall be approved at a subsequent meeting of the Committee and shall be distributed periodically to the full Board of Directors. The Company Secretary of the Company shall act as the Secretary/Convener of the Committee and ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

#### **4.6 Committee Members' Interests**

1. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
2. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

#### **4.7 Secretary:** The Company Secretary shall act as Secretary of the Committee.



## 5. APPOINTMENT, REMOVAL, RETIREMENT AND EVALUATION OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management Personnel and make recommendations to the Board about his/her appointment.
2. A person 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 is sufficient /satisfactory for the position.
3. The Company shall not appoint or continue to have any person as Whole-time Director who has attained the age of seventy years and shall not appoint or continue any person as Independent Director who has attained the age of seventy-five years, provided that the term of the person holding such position may be extended beyond the age of seventy years/ seventy-five years with the approval of shareholders by passing a special resolution.
4. Basis the performance evaluation report of an Independent Director, the committee shall recommend to the Board, whether to extend or continue the term of appointment of the Independent Director.

### 5.1 Term/ Tenure:

#### a) **Executive Chairperson/ Managing Director/ Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairperson or Managing Director or Whole-time Director or Executive 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.

#### b) **Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years and will be eligible for re-appointment upon 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 maximum 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 the maximum number prescribed under the Act or the SEBI LODR Regulation.



### **5.2 Removal:**

- a) Due to reasons for any disqualification mentioned in the Act, rules and regulations made thereunder, or under any other applicable law, or for any other compelling reasons, the Committee may recommend with reasons to be recorded in writing, removal of a director, subject to compliance of the provisions the Act, rules and regulations and the Policy of the Company.
- b) For KMPs (excluding MD/Executive Director/whole-time Director), Senior Management Personnel or other employees, the removal will be governed by Company's HR Policy and applicable law(s) for the time being in force, if any.

### **5.3 Retirement:**

The Director, Key Managerial Personnel 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, Key Managerial Personnel, and Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### **5.4 Evaluation:**

The performance evaluation of all Directors of the Company including Independent Directors shall be done by the Board, excluding the Director being evaluated based on the criteria determined by the Committee.

The performance evaluation of Non-Independent Directors, Chairman of the Company and the Board as whole shall be done by the Independent Directors in their separate meeting.

The Managing Director shall perform the evaluation of performance of KMPs (except Managing Director) and Senior Management Personnel at regular intervals, mostly on the yearly basis based on the Key Performance Indicators.

The independent external agency may also be hired / outsourced by the Board of Directors of the Company for conducting the performance evaluation of all Directors of the Company as per criteria laid on above points read with provisions of the Act and Listing Regulations.

## **6. POLICY FOR REMUNERATION TO DIRECTORS/ KEY MANAGERIAL PERSONNEL/ OTHER EMPLOYEES**

### **6.1 Remuneration to Managing Director/Whole-time Directors:**

The remuneration/ commission, etc. to be paid to Managing Director/ Whole-time Directors, etc. shall be governed as per provisions of the Act and rules made there under or any other enactment for the time being in force and within the overall limits approved



by the shareholders of the Company.

## **6.2 Remuneration to Non-Executive Director/Independent Directors:**

The remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) 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. The amount of such remuneration shall be such as may be recommended by the NRC and approved by the Board of Directors or shareholders, as the case may be.

The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the NRC and approved by the Board of Directors. Provided that the amount of such fee shall not exceed Rupees One Lac per meeting of the Board or Committee or such amount as may be prescribed in the Act read with the relevant Rules, from time to time. In addition to the sitting fees, the Company may pay/ reimburse to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his/ her role as a Director of the Company.

Any remuneration paid to Non-Executive/Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration if Services are rendered by such Director in his capacity as the professional and in the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share-based payment schemes of the Company

## **6.3 Remuneration to Key Managerial Personnel and Other Employees:**

The remuneration to Key Managerial Personnel and Other Employees shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013, other legislative enactments, if any, and in accordance with the Company's Policy.

The fixed pay shall include monthly remuneration, employer's contribution to provident fund, contribution to pension fund, pension schemes, etc. as decided from time to time. The compensation to Senior Management Personnel should be recommended to the Board by the Committee.

## **7. POLICY ON BOARD DIVERSITY**

The candidate should possess adequate qualification, expertise, knowledge, skills, background and industry experience for the position against which he/ she is considered for appointment. The Committee has the discretion to decide whether the above requirements possessed by a person are sufficient/ satisfactory for the concerned position.



The Company should endeavor to have mix of Directors with experience in diverse field's viz. Finance, Law, Management, Sales and Marketing, Technical, Administration, Corporate Governance, factory operations and other discipline related and beneficial to the Company's operations.

While appointing the Directors and KMP, the Committee shall give due consideration to their limit of holding other directorships/office as specified in the Companies Act, 2013 read with the Rules made therein and the Listing Agreement (as amended from time to time) and/or any other applicable enactment, for the time being in force.

#### **8. AMENDMENT**

Any change in Policy shall be approved by the Board of the Company. 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 in this respect shall be final and binding.

In case any provisions of the Policy are contrary to or inconsistent with the provisions of the Companies Act, 2013, rules framed thereunder and SEBI LODR Regulations ("Statutory Provisions"), the provisions of Statutory Provisions shall prevail.

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For CORE4 ENGINEERS LIMITED

  
DIRECTOR

