

MODULEX CONSTRUCTION TECHNOLOGIES LIMITED
(Formerly known as Tumus Electric Corporation Limited)

REMUNERATION POLICY

1. PURPOSE

At Modulex, Management is committed to conducting its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics and employee relations.

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Company is required to ensure that Shareholders remain informed and confident in the management of the Company. The Company also understands the importance of attracting and retaining competent individuals from directors right through to support staff.

This remuneration policy is being positioned on the basis of overall assessment of the size of the company, future prospect, organization structure and complexity of its activities. The purpose is to have a remuneration policy that is consistent with and promotes sound and effective risk management, and which is aligned with the Company's strategy, values and goals and the interests of stake holders and investors.

The Remuneration and Nomination Committee has developed this policy keeping in view the following aspects.

- a) The level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate directors and employees of the quality required to run the company successfully.
- b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- c) Maintain appropriate balance between fixed and incentive pay in remuneration to directors, key managerial personnel and senior management reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- d) Align the growth of the Company and development of employees and accelerate the performance.
- e) To motivate and retain the quality employees and attract other highly qualified executives to enter into Modulex' service, when require.
- f) To give a rational and fair treatment to employees, and to recognize importance of every one with team spirit and enhancing the value of human wealth.

- g) To create a transparent system of determining the appropriate level of remuneration throughout all levels of hierarchy in the Company.
- h) Encourage people to perform to their highest potential.
- i) Allow the Company to compete in each relevant employment market.
- j) Provide consistency in remuneration throughout the Company.
- k) Align the performance of the business with the performance of key individuals and teams within the Company.

2. **DEFINITIONS**

"Act" means the Companies Act, 2013, and Rules made thereunder, for the time being in force and as may be clarified, amended, reenacted from time to time.

"Board" means the collective body of the Directors of the Company.

"Company" means "Modulex Construction Technologies Limited" or also referred to as "Modulex".

"Committee" or "NRC" means "Nomination and Remuneration Committee" of the Board of the Company, as may be reconstituted by the Board and as may be subsist from time to time.

"Director" means person appointed as Director on the Board of the Company.

"Department Head" or "Functional Head" or "Business Unit Head" or "BU Head" means Employee of the Company who are designated as such or in charge of one or more Department or Business Units and person who are designated as Head for the time being, by the Executive Director.

"Executive Director" means person appointed as Whole-time director, Executive Director, Managing Director, Deputy Managing Director and Joint Managing Director and holding office as such pursuant to the applicable provisions of the Companies Act 2013.

"Employees": Employees means and includes person who is confirmed for full time employment of the Company time to time.

"Key Managerial Personnel" or "KMP" means person as defined in Section 2(51) of the Companies Act, 2013.

"Remuneration Policy" or "this Policy" means this Policy for remuneration of Directors, KMP and employees of the Company as set out hereby, recommended by the Committee and approved by Board

of Modulex Construction Technologies Limited, as amended from time to time.

“Senior Management Personnel” means officers/personnel of the Company who are members of its core management team excluding board of directors and normally this 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.

Words and expressions used and defined and/or used but not defined in this Code shall have the same meaning assigned to them in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations) or the Companies Act, 2013 and the rules and regulations made thereunder, to the extent relevant in connection with this Code, as the case may be or in any amendment thereto.

3. EFFECTIVE DATE OF THE POLICY

The Board of Directors of the Company have, at their Meeting held on February 14, 2019 decided to adopt this policy accordance with the requirements of the Act and the LODR regulations.

4. NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted the Nomination and Remuneration Committee (“NRC”) of the Board in accordance with the provisions of the Companies Act, 2013 and LODR Regulations. The NRC will play a consultative role in identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommendation of same to the Board, their appointment and removal and specification of the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the NRC or by an independent external agency and review its implementation and compliance.

The NRC shall also help in building appropriate remuneration structure in the Company keeping in view recognition and appreciation of experience, expertise, advise, efforts and contribution provided by the Directors, KMP, Senior Management Personnel and dedication of Employees. While strategizing the remuneration structure, the Committee would also consider that composition of remuneration needs to be reasonable and sufficient to attract, retain and motivate Directors and senior management of the quality required to run the Company successfully.

In its consultative role and guiding force, the Committee will provide its recommendations to the Board in respect to matter and tasks as may be assigned by the Board time to time. The Committee may recommend to the Board as how to effectively structure and facilitate a remuneration strategy, which will meet the needs of the Company advice changes if any required to this Policy.

5. MONITORING AND IMPLEMENTATION OF THIS POLICY

The Committee implements and monitors this Policy. The Committee may take assistance of HR Head, HR team and Senior Management Personnel as may be necessary in respect to implement and review of this Policy. The Committee may seek attendance of Department Heads and obtain relevant data, details and analysis as the Committee may think necessary. The Committee may also consult the experts' advice wherever they deem necessary in discharge of their duty.

6. REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Company will follow the following structure in respect to remuneration of Non-Executive Directors (NEDs). NEDs are paid remuneration by way of profit based Commission and Sitting Fees within the overall statutory limits prescribed in the Companies Act 2013 and rules prescribed in that regard.

The distribution of Commission amongst the NEDs shall be placed before the Board. The Commission is distributed on the basis of their attendance and contribution at the Board and certain Committee Meetings, as well as time spent on operational matters other than at the meetings.

6.1 Sitting fees

The NEDs shall be paid remuneration as may be approved by the Board of Directors.

6.2 Reimbursement of expenses

The Company may also reimburse travelling and other expenses to outstation Directors for attending meetings.

6.3 Remuneration

The Company may upon passing of resolution by the Board of Directors of the Company consider payment of remuneration to Non-Executive Directors by way of commission as a percentage of profits on an annual basis, pursuant to the applicable provisions of the Companies Act 2013 and rules made thereto, LODR Regulations and approval of shareholders of the Company. The Commission shall not exceed such limits, as may be applicable to the Company, as per the provision of the Companies Act 2013 and as approved by the Board and/or shareholders from time to time.

On recommendation of the Committee, the Board may consider appropriate additional remuneration to such Non-executive Director who has devoted considerable time and efforts in relation to business and matters of the Company. Said remuneration would be within overall limit of commission or remuneration to Non-executive directors and to the extent permitted under the law. If there will be any proposal from the Board, the Committee may recommend different remuneration / fees for different class of Directors, keeping in view the requirement of the Company and statutory provisions.

6.4 In case of no profit or inadequate profit

Notwithstanding the situation of no profit during any financial year, the Non-Executive Directors shall be paid sitting fees in respect of each Meeting of the Board or Committee as decided by the Board of Directors of the Company and shall also reimburse the expenses for attending the meeting. Remuneration to the Non-executive directors and Executive Directors shall be within the overall statutory Limits unless approved by the shareholders otherwise.

6.5 Review of remuneration of Non-Executive Directors

The Committee shall evaluate the performance of each of the Non-executive director and review the remuneration payable to of Non-executive Directors at such interval as it thinks appropriate or as may be requested by the Board time to time. While recommending to the Board for restructure or increase in remuneration of Non-Executive Directors, the Committee shall keep in view the following factors in appropriate weightage.

- a) Financial performance and net-worth of the Company as per audited financial statement for last 3 financial years.
- b) Value of order book position and operational performance track in last two years.
- c) Performance of the Board as whole considering the evaluation of the Board done by Independent Directors.
- d) Diversity and composition of Board considering experience, expertise, technical knowledge and skills relating to business and future plan of the Company, position held in other organizations and directorship in other companies.
- e) Remuneration of non-executive directors of other companies / peers of similar size in terms of turnover, profit and net worth. Peer comparison shall be effective and rational assessment and not just numbers.

7. REMUNERATION OF EXECUTIVE DIRECTORS

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission and/or performance incentives (variable component) to Executive Directors of the Company. The remuneration to executive directors is as approved by shareholders of the Company. The Board proposes to shareholders the remuneration including appropriate mix of fixed and variable components and other terms for appointment of the Executive Directors, considering qualifications, experience, technical skills, requirement of the Company and prevailing market conditions. While determining the remuneration proposal, the Board to consider the recommendation of the Nomination and Remuneration Committee.

7.1 Fixed Component

The Executive Directors are paid remuneration by way of monthly salary / fixed component, as per preapproved terms.

7.2 Variable Component

The Executive Directors may also be paid remuneration by way of commission as percentage of commission of profit of the Company as per audited financial statement, within range as approved by the shareholders. Commission is calculated with reference to net profits of the Company in a particular financial year and be determined by the Board of Directors at the end of the financial year based on the recommendations of the Remuneration Committee, subject to overall ceilings and applicable statutory provision stipulated in Section 197 of the Companies Act 2013 and other applicable provisions as may be applicable time to time.

Amount payable to Executive Director shall be determined based on appointment terms, performance criteria as the Board may considers appropriate keeping in view the performance of the Company for relevant financial year in terms of the turnover and net profits, cash profit, performance and contribution by particular Executive Director, achievements, critical projects performance, remuneration paid in previous year, industry standard, and other factors as the Board may think appropriate and based on the recommendation from Nomination and Remuneration Committee.

7.3 Facilities

The Company shall provide such facilities as may be necessary in relation to performance of the duties and to attend operation and business of the Company by the Directors and Senior Management Personnel as may be determined by the Human Resource Department and as recommended by Nominations and Remuneration Committee.

Remuneration paid to the Directors shall be disclosed in the Annual Report of the Company.

7.4 Remuneration in case of no profit or inadequate profit

In the event there be no profit or inadequate profit in any financial year, remuneration to Executive Directors will be as per the appointment terms and determined by the Board, subject to applicable provision of the Companies Act 2013 / applicable law.

8. STOCK OPTIONS TO EMPLOYEES / DIRECTORS

As and when desirable or requested by the Board, the Committee will perform function in respect to devising / monitoring Employees Stock Schemes and give its recommendation about allotment of sweat

equity shares or grant, vest and exercise of stock options and/or similar rewards to the eligible Directors and Employees, as may be permitted under the applicable Law or approved Schemes. However no Independent Director shall be eligible for Stock Option unless restriction in the Companies Act 2013, is removed.

9. PECUNIARY RELATIONSHIPS OR TRANSACTIONS

The Independent Directors of the Company shall not have any material pecuniary relationships or transactions with the Company or its Holding Company, subsidiary Companies, Associate Companies except receiving Directors' Remuneration in a manner prescribed in Section 197 of the Companies Act, 2013.

10. REMUNERATION OF SENIOR MANAGEMENT PERSONNEL

10.1 Review of Remuneration of Senior Management

The Committee will review the remuneration of the Senior Management Personnel annually at the time of performance appraisal. Considering the outcome of performance appraisal done by HR and management, as per prevailing process and practice of the Company, the Committee may recommend about increase, restructure and/or other suggestion in respect to remuneration of Senior Management Personnel as it thinks appropriate considering the following aspects:

- a) Performance of the Company for relevant financial year in terms of turnover, net profit, cash profit vis-à-vis performance of relevant Division / Business Unit of the Company.
- b) Individual credit rating as per HR performance appraisal, achievements during last two years, major role played in successful bidding of moderate projects, contribution in getting landmark projects, challenging initiatives, key role played in winning of prestigious award to the Company.
- c) Critical responsibilities handled and successful completion of task assigned by the Board / management of the Company.
- d) Qualification, experience, skills and tenure of services in the Company.
- e) Contemporary sector specific positions, risk profile of the Company and strategic factor to retain the competent professionals.
- f) Overall industry standard, future prospect of the Division and the Company and present market scenario of similarly based professionals.

10.2 Recommendation of the Committee

While reviewing and recommending the remuneration of Senior Management Personnel of the Company, the Committee shall be guided by the following factors.

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Senior Management members of the quality required to run the company successfully.
- b) Relationship of remuneration to performance meets appropriate performance benchmarks.
- c) There should be appropriate balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

10.3 Variable Pay and Increments in Remuneration of Senior Management

While recommending about Variable Pay and Increment in Remuneration of the Senior Management, the Committee, inter alia, shall evaluate by the following focal criteria with appropriate weightage.

- a) Performance of the Company during relevant financial year in terms of turnover and cash profit.
- b) Performance achieved by the Division where the performance is quantifiable and part of profit center. In other cases, overall performance of the Department and quality of information flow.
- c) Individual Key Result Area (KRA) rating and opinion of the CEO / Executive Director.
- d) Technical skill or nuance in knowledge and practical competency in areas of works or functions where he is employed in the Company.
- e) Prospects of the Division and business plan of the Company in medium to long run objectives.

11.REMUNERATION OF EMPLOYEES

The Company believes that composition of remuneration of the Employees should be reasonable and sufficient to attract, retain and motivate Employees. The Company follows salary structure comprising fixed and variable components.

Loan, facilities and assistance may be given to the Senior Management Personnel and Employees on such terms and conditions, as may be approved / authorized by NRC or the Board or as per the scheme approved by the NRC or the Board.

12. CLARIFICATION AND REVIEW OF THE POLICY

The Committee may, in consultation with the Board, if necessary, review or give necessary clarification for implementation of this policy.

This Policy may be read with the Employee Handbook of the Company, to the extent relevant or necessary for implementation purpose. However the Handbook shall not be part of this Policy and always remain with the Company as confidential document.

13. AMENDMENTS IN THE POLICY

This Policy may be amended or substituted by the Committee as circumstances warrant. Modification / amendment / clarification shall be issued only by the Nomination and Remuneration Committee in consultation with the Board of Directors.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), Clarification, circular(s) etc.

DISCLOSURE

This Policy shall be uploaded on the Company's website for investors and public information and a web link thereto shall be provided in the Board's Report as part of the Annual Report of the Company .