

NOMINATION AND REMUNERATION POLICY OF MEGA CORPORATION LIMITED

(Pursuant to Section 178(3) of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

[Effective from 28th March, 2025]

Mega Corporation Limited

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CIN: L65100DL1985PLC092375

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1. BACKGROUND

The Nomination and remuneration Policy of the Company has been prepared pursuant to the provisions of Section 178(3) of the Companies Act and Regulation 19(4) read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In case of any inconsistency between the provisions of law and this Policy, the provisions of the above stated law shall prevail, and the Company shall abide by the applicable law.

The Policy is intended to set out a framework for nomination, evaluation, and remuneration of members of the Board of Directors ("Directors"), and Senior Management Personnel ("SMP"), of the Company.

2. APPLICABILITY

This Policy shall be applicable to all members of the Board of Directors of the Company ("Directors") and Senior Management Personnel, which shall mean personnel of the Company who are members of its core management team excluding Board of Directors. This would comprise all members of management one level below the Executive Director and shall include the Company Secretary and Chief Financial Officer ("SMP").

The Policy shall become effective from **28th March, 2025**.

3. DEFINITIONS

- a. **Applicable laws** mean the SEBI Listing Regulations and the applicable provisions of Companies, 2013, as amended along with the rules framed thereunder.
- b. **Board** means Board of Directors of the Company as constituted from time to time.
- c. **Company** means Mega Corporation Limited.
- d. **Companies Act** mean the provisions of the Companies Act, 2013
- e. **Directors** mean members of the Board of Directors of the Company as appointed from time to time
- f. **Policy** shall mean this Nomination and Remuneration Policy.
- g. **SMP** means Senior Management Personnel of the Company as defined in this Policy.

4. NOMINATION/ APPOINTMENT/ REMOVAL CRITERIA FOR THE DIRECTORS

The Nomination and Remuneration Committee ("NRC") shall establish and continuously review criteria for assessing the qualifications, skills, expertise, attributes, and positive traits necessary for an individual to serve as a Director of the Company. These criteria should not only serve the interests of the Company but also take into account the qualities such as independence for Independent Directors and the specialized knowledge required for the Company's ongoing operations and adaptability in a dynamic business environment.

Following is the criteria recommended by the NRC and approved by the Board of Directors ("Board"):

- a. Composition of the Board, taking into consideration the size of the Company and consistent with the requirement of law;
- b. Diversity on the Board;
- c. Term of appointment of Independent Director;
- d. Optimal balance of skills, relevant experience and professional qualifications
- e. Expertise and experience in specific area of business;
- f. No present or potential conflict of interest;

- g. Availability of time and other commitments for proper performance of duties;
- h. Personal characteristics in line with the Company's values, such as integrity, honesty, and transparency;
- i. Remuneration of the Directors, and SMP; and
- j. any other criteria which may be added by the Board at its discretion.

The NRC shall identify persons who are qualified to become Directors and who satisfy the above criteria. The existing Directors who continue to satisfy the criteria may also be considered by the NRC for re-appointment. The re-appointment of Directors other than Directors liable to retire by rotation shall be recommended by the NRC after taking into consideration the performance of such a Director.

The NRC on satisfaction of a potential candidate meeting the criteria and having completed the identification and selection process, will recommend such persons' candidature to the Board for appointment as a Non- Executive Director or Independent Director or Executive Director, as the case may be.

The NRC shall also periodically review the performance of the Directors and recommend to the Board for the appointment and removal of Directors.

5. DIRECTOR'S AND SMP REMUNERATION

Executive Director's Remuneration

The key objective of the Company's Policy for Director's remuneration is to enable a framework that allows for competitive and fair rewards for the achievement of key deliverables and also aligns with practice in the industry and shareholders' expectations.

While setting remuneration for the Executive Directors' the Company will take into account the market sector, business performance and the practices in other comparable companies.

Executive Director's Remuneration:

a. Fixed Remuneration

Executive Directors shall receive a fixed monthly amount as salary as may be approved by the Board upon the recommendation of NRC within the overall range as approved by the Board or Shareholders in general meeting as applicable. Such salary shall be based on a function-related system and be in line with market practices.

Fixed Remuneration shall also include other remuneration elements like special allowance, house rent allowance or Company leased accommodation etc. including such other perquisites as the NRC may approve for enabling the Executive Directors to discharge their duties besides statutory contributions to Provident Fund/ Superannuation Fund, Gratuity etc.

b. Variable Remuneration

The Executive Directors' may receive Variable Remuneration keeping the performance of the Company in sight. This performance related payment, annual bonus and other variables is calculated with reference to the net profits of the Company in a particular financial year and is determined by the Board at the end of the financial year based on the recommendations of NRC, subject to overall ceilings stipulated in the Companies Act. All Executive Directors are also eligible to receive stock options.

The ceiling on perquisites and allowances as a percentage of salary is fixed by the Board within the prescribed ceiling, the perquisites package is approved by NRC.

Non-Executive/ Independent Director's Remuneration:

The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act and the rules made thereunder.

The commission and other remuneration, payable, if any to the Non-Executive/ Independent Directors shall be as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act and the rules made thereunder.

Remuneration of Senior Management Personnel:

The total remuneration package of SMP would consist of the following:

a. Fixed Salary:

The SMP's fixed salary shall be competitive and based on the Individual's responsibilities and performance.

b. Variable Salary:

The SMP may receive variable salaries in addition to fixed salaries. The variable salary may be based on inter-alia the performance of the Company as a whole or the performance of respective business verticals where the SMP is employed. The performance will be related to the fulfilment of various improvement targets or the attainment of certain financial objectives.

c. Share Options:

SMP's may be eligible for long-term incentive plan in the form of Employee Stock Option (ESOP), as per the ESOP scheme in force from time to time.

d. Non-monetary benefits:

The SMP shall be entitled to customary non-monetary benefits as may be applicable to them as per Company policies. The extent of such non-monetary benefits is negotiated with each individual SMP.

6. OTHER POINTS

- a. Any deviations made from this Policy in extraordinary circumstances, when deemed necessary, in the interests of the Company will be disclosed in the annual report or in case of an appointment in good time prior to the appointment of the individual.
- b. Any or all provisions of this Policy would be subject to revision/ amendment in accordance with the guidelines on the subject as may be issued by the Government, from time to time.
- c. The Company reserves the right to modify, add, delete, or amend any of the provisions of this Policy.

7. AMENDMENT

Any change in the Policy shall be approved by the Board. 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. Any subsequent amendment/ modification in the Act or the rules framed thereunder or the SEBI Listing Regulations and/ or any other laws in this regard shall automatically apply to this Policy.

8. **COMPLIANCE**

The NRC shall be responsible for supervision of the Policy.

Any queries regarding this Policy shall be referred to the NRC, who is in charge of administering, enforcing and updating this Policy.

9. **INTERPRETATION**

In any circumstance where the terms of this Policy are inconsistent with any existing or newly enacted law, rule, regulation or standard governing the Company, the said law, rule, regulation or standard will take precedence over this Policy.
