

M.K.EXIM (INDIA) LIMITED
(CIN: L63040RJ1992PLC007111)

Nomination & Remuneration Policy

Our Policy on the Appointment and Remuneration of directors and key managerial personnel provides a framework for strategic growth of the company. The Nomination & Remuneration Policy provided herewith pursuant to Section 178 (4) of the Companies Act, 2013.

1. PREAMBLE:

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 ("the Act") read along with rules thereunder.

2. APPLICABILITY:

This Nomination and Remuneration Policy (the "Policy") applies to the Board of Directors (the "Board"), Key Managerial Personnel (the "KMP") and the Senior Management Personnel of M.K.EXIM (INDIA) LIMITED (the "Company").

3. DEFINITIONS:

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act 1961;

"Key Managerial Personnel" means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Company Secretary;
- iii) Chief Financial Officer; and
- iv) Such other officer as may be prescribed.

"Senior Managerial Personnel" mean the 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.

4. OBJECTIVE:

The objectives of the policy isto ensure that:-

1. 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;
2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
3. 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.

5. ROLE OF THE COMMITTEE:

NOMINATION AND REMUNERATION COMMITTEE (NRC) being constituted in compliance of Section 178 of the Companies Act, 2013 ("the Act") read along with rules thereunder and Clause 49 of the Listing Agreement/Regulation 19 of the SEBI (LODR) Regulations, 2015, as amended from time to time will be working as under:

The role of the NRC will be the following:-

1. To formulate criteria for determining qualifications, positive attributes and independence of a Director.
2. To formulate criteria for evaluation of Independent Directors, Board and its Committees.
3. 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.
4. To carry out evaluation of Director's performance.
5. To recommend to the Board the appointment and removal of Directors and Senior Management.
6. To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
7. To devise a policy on Board diversity, composition, size.
8. 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.
9. To perform such other functions as may be necessary or appropriate for the performance of its duties.

6. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

- 1) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- 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 are sufficient/ satisfactory for the position.
- 3) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of ninety years. Provided that the term of the person holding this position may be extended beyond the age of ninety years with the approval of shareholders by passing a special resolution.
- 4) The Company shall not appoint or continue the employment of any person as whole-time Director who is an undischarged insolvent or has at anytime been adjudged as an insolvent.

7. TERM/TENURE:

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing 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:

Company shall have at least 1/3 of the total number of directors as independent directors and all independent directors shall meet the criteria as laid down in Section 149(6) of the Act. 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 an ordinary 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.

8. EVALUATION:

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

9. REMOVAL:

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.

10. RETIREMENT:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act. 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.

11. POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL:

1) Remuneration to Managing Director /Whole-time Directors:

- a) Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013, Schedule V of the Act 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 to attract, retain and motivate them.
- c) Company may make a balance in remuneration by fix and variable reflecting short term and long term performance and working of the company.

2) Remuneration to Non-Executive / Independent Directors:

- a) The Non-Executive/Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013 read with rules thereunder and provisions of Listing Agreement. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and members from time to time.
- b) All 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 thereunder or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) 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.
 - d) 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 for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- 3) Remuneration to Key Managerial Personnel and Senior Management:
- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay reflecting their short term and long term performance and working, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
 - b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
 - c) 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.
 - d) 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.

12. LOAN TO KMP, SENIOR MANAGEMENT AND OTHER EMPLOYEES OF THE COMPANY: (EXCEPT DIRECTOR WHICH IS GOVERNED BY SECTION 185 OF THE COMPANIESACT, 2013)

- 1) Company may consider the loan applications received form KMP, Senior Management and other employees of the company.
- 2) The loan may be granted/ sanctioned for purchase of vehicle, medical treatment of self and family dependent or to meet other personal expenditure.
- 3) The loan may be given at a concessional rate of interest or interest free at the sole discretion of the board/company.
- 4) The amount of loan, repayment period, mode of repayment, amount of instalment, extension and other relevant terms & conditions may be decided by board/company as they/ it deem fit or suitable from time to time.
- 5) The company may take suitable steps to secure the loan given by availing collateral security, deposit of title deed/papers of the vehicle/property concerned or by taking post dated cheque or any other way.

13. IMPLEMENTATION:

- 1) The Committee may recommend to the board or board may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- 2) The Committee may Delegate any of its powers to one or more of its members or directors of the company.
- 3) The NRC may recommend changes, if any or the Board may itself amend the policy from time to time in accordance with Act, Rules, and Provisions in force.