



Nomination and Remuneration Policy

1. REGULATORY FRAMEWORK

The Board of Directors ("Board") of M.K. Exim (India) Limited ("Company") has constituted the Nomination and Remuneration Committee ("Committee"). In compliance with the requirements set out under Section 178 of the Companies Act, 2013 ("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 ("Listing Regulations"), the Committee has formulated this Nomination and Remuneration Policy ("Policy") in order to set our principles, parameters and governance framework of the remuneration for Directors, Managing Director, Key Managerial Personnel and employees of the Company.

This Policy will assist the Board to fulfil their responsibility by way of recommendation from the Nomination and Remuneration/Compensation Committee of the Board towards attracting, retaining, promoting the aforesaid personnel with respect to their remuneration in line with the corporate and individual performance.

This Policy also rely on the service rules, resolutions approved by the Board or Committee, internal controls and guidelines framed by the Company which were earlier approved by the Board from time to time.

The Nomination and Remuneration/Compensation Committee of the Board shall evaluate the remuneration from time to time to recommend to the Board depending upon the profitability and financial performance by the Company for each financial year and in further subject to the thresholds prescribed by the provisions of applicable laws including the provisions of the Companies Act, if any.

2. DEFINITIONS

"Act" means the Companies Act, 2013 and Rules framed there under, as may be amended from time to time.

"Board" means Board of Directors of the Company.

"Company" mean M.K. Exim (India) Limited.

"Committee" means the Nomination & Remuneration Committee of the Board of Directors.

"Compliance Officer" means the Company Secretary of the Company.

"Directors" means members of Board of Directors of the Company.



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“**Independent Director**” means a Director referred to in Section 149(6) of the Companies Act.

“**Key Managerial Personnel**” shall have the same meaning as in Section 2(51) of the Companies Act, 2013.

“**Net Profit**” shall be calculated as per Section 198 of the Act.

“**Senior Management**” shall comprise officers/personnel of the Company who meet the criteria established under the provisions of the Act and SEBI LODR Regulations, pertaining to the definition of senior management.

The words and expressions used in this policy not defined herein above will have the same meaning as defined in Companies Act, 2013 including any amendments made from time to time.

3. APPLICABILITY

This Policy is applicable to:

- 3.1 Directors (Executive and Non-Executive)
- 3.2 Key Managerial Personnel; and
- 3.3 Senior Management

4. OBJECTIVE

This policy aims to formulate certain criteria for the following activities with regards to its directors, key managerial personnel, senior management and employees:

- 4.1 Selection, appointment and removal;
- 4.2 Remuneration;
- 4.3 Evaluation of performance;
- 4.4 Board diversity.

5. DUTIES IN RELATION TO NOMINATION AND REMUNERATION

The duties of the Committee in relation to nomination and remuneration matters include:

- 5.1 To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 5.2 To formulate the criteria for determining qualifications, positive attributes and independence of a director.
- 5.3 To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.



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- 5.4 To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 5.5 To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the company's operations.
- 5.6 To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 5.7 To assist in developing a succession plan for the Board.
- 5.8 Delegation of any of its powers to any member of the Committee or the Compliance Officer.

6. CONSTITUTION OF COMMITTEE

The Board has the power to constitute/re-constitute the committee to be known as the Nomination and Remuneration/Compensation Committee consisting of three or more non- executive directors out of which not less than one-half shall be independent directors. The Chairman of the Committee is an Independent Director. However, the chairperson of the company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

7. CRITERIA FOR APPOINTMENT OF DIRECTORS, KMP AND SENIOR MANAGEMENT

- 7.1 The Committee shall formulate criteria for determining qualifications, positive attributes and independence of a director. The Committee may consider this Policy and the below provisions of this Policy as guidance.
- 7.2 The person to be appointed as a Director, KMP or in the senior management should possess adequate qualification, experience and expertise for the position he or she is considered for, considering various factors including the Company's strategy and requirements.
- 7.3 The Committee shall have the discretion to decide whether such qualification, experience and expertise of the person is sufficient for him or her to effectively discharge duties of the concerned position.
- 7.4 The person to be appointed as Director, KMP or in the senior management, should possess impeccable reputation for integrity, efficiency, expertise and insight in sectors or areas relevant to the Company's industry or otherwise demonstrate relevant qualities.
- 7.5 In case of a director, such person's personal and professional standing must be such that it helps him or her to best complement the other Board members thereby contributing effectively towards Company's growth.
- 7.6 The Committee shall consider the potential candidates on merit alone.
- 7.7 In case of a director, such person must also fulfil the minimum and/or maximum age criteria as applicable under the provisions of the Act and SEBI LODR Regulations and take necessary approvals from the shareholders in this regard in case of directors above the maximum age criteria as well as comply with other requirements of law at the time.



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7.8 In case of an Independent Director, he or she should meet the requirements of the Act and SEBI LODR Regulations concerning independence of directors.

8. APPOINTMENT AND REMOVAL OF DIRECTORS, KMP AND SENIOR MANAGEMENT

8.1 The Committee shall ensure that the size and composition of the Board satisfies the applicable law including provisions of the Act and SEBI LODR Regulations.

8.2 The Committee shall identify persons who are qualified to become directors, KMP's and who may be appointed in the senior management with regard to the attributes as specified under clause 4 of this Policy and such other qualifications or attributes as the Committee or board may deem necessary from time to time.

Explanation – For the purpose of this clause, “appointed in the senior management” means:

- (i) induction/appointment of persons/officers/personnel of the Company as members of the core management team of the Company and
- (ii) appointment of person/officer/personnel as the company secretary or chief financial officer of the Company.

8.3 The Committee while considering a person for appointment as director, shall verify that the said person has not been debarred or disqualified from being appointed as directors of companies by the Securities and Exchange Board of India (“SEBI”) and/or Ministry of Corporate Affairs or any other statutory authority.

8.4 The Committee shall then recommend the identified candidates to the Board for final selection and appointment.

8.5 In case of directors, the Committee shall ensure that the number of directorships held by each director in other companies is below the specified limit under the Act and SEBI LODR Regulations and amendments made from time to time.

8.6 The Committee shall also ensure that any person appointed as independent director does not have any material pecuniary relationship with the Company, its holding, subsidiary or associate company, or company's promoters or directors, except receiving remuneration as a director or having transaction not exceeding 10% of his total income or such amount as prescribed, during the current financial year or two immediately preceding financial years and also satisfies other criteria for determining independence as specified under the Act, SEBI LODR Regulations and amendments made from time to time.

8.7 A whole-time KMP of the Company shall not hold office at the same time in more than one Company except in its subsidiary company. However, a whole-time KMP can be appointed as a director in any company subject to the provisions of the Act and/or SEBI LODR Regulations and in accordance with the policy of the Company.

8.8 The Committee shall review the performance of the Board from time to time.



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8.9 The Board shall ensure and satisfy itself that plans are in place for orderly succession of the Board of Directors and Senior Management.

8.10 The Committee may recommend removal of any director or KMP to the Board with reasons in writing explaining the breach of company policy or any disqualifications or other such criteria for removal in line with the provisions of the Act and/or SEBI LODR Regulations or for other reasons.

8.11 The Board will have the discretion to retain the whole-time directors, KMP and senior management personnel in the same position/remuneration or otherwise, even after attaining the retirement age, if they deem fit for the benefit of the Company.

9. TERMS OF APPOINTMENT

9.1 Managing Director / Whole – Time Director / Executive Director / Non-executive Director

9.1.1 The Board shall appoint or re-appoint any person as a managing director, whole-time director, executive director or manager for a term not exceeding five years (5 years) at a time subject to approval by the members at the next general meeting.

9.1.2 Not less than two-thirds of the total number of directors (excluding independent directors) shall be persons whose period of office is liable to determination by retirement of directors by rotation and be appointed by the Company in general meeting; and at every annual general meeting, one-third of such of the directors for the time being as are liable to retire by rotation, or if their number is neither three nor a multiple of three, then, the number nearest to one-third, shall retire from office as per the provisions of the Act.

9.1.3 The directors retiring by rotation at every annual general meeting shall be those who have been longest in the office since last appointment; the retiring director amongst directors appointed on the same day shall be determined by a lot.

9.1.4 At the annual general meeting at which a director retires by rotation, the Company may fill up the vacancy either by appointing the retiring director or some other person as may be deemed fit.

9.2 Independent Director

9.2.1 The term of appointment of an Independent Director shall be up to five (5) years but he or she shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment shall be made in the Board's Report.

9.2.2 No independent director shall hold office for more than two consecutive terms but shall become eligible for appointment after expiration of three years (3 years) cool off period, provided that he or she shall not be appointed or associated with the Company in any other capacity, either directly or indirectly during such period.

9.2.3 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



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is serving as a Whole-time Director of listed company or such other number as may be prescribed under the Act.

9.3 KMP and senior management

9.3.1 The term of appointment and subsequent retirement of KMPs and senior management shall be as per the provisions of the law including the Act, SEBI LODR Regulations, and prevailing policy of the Company.

10. CRITERIA FOR RECOMMENDATION OF REMUNERATION

10.1 Executive Directors / Whole- Time Directors / Managing Directors

10.1.1 The remuneration to the Managing Director and other Executive directors shall be broadly divided into fixed and variable components. The fixed components shall comprise of monthly salary, allowances, perquisites, amenities and other retirement benefits. The variable component shall comprise of performance based annual commission and/or incentives. The performance criteria are individual performance based on annual targets, Company's performance and recent compensation trends in the industry.

10.1.2 Subject to provisions of the Act and SEBI LODR Regulations, the remuneration payable shall be approved by the Board of Directors at the time of appointment subject to approval by shareholders of the Company.

10.1.3 The overall remuneration payable to all the directors of the Company including managing director and whole-time directors in respect of any financial year shall not exceed 11% of the net profits of the Company.

10.1.4 Remuneration payable to any one managing director; or whole-time director or manager shall not exceed 5% of the net profits of the Company and if there is more than one such director, the remuneration shall not exceed 10% of the net profits of all such directors and manager taken together.

10.1.5 Payment of remuneration in excess of the above statutory limits shall be done by recording of clear reason and justification and obtaining approval of shareholders through special resolution as per the provisions of the Act, SEBI LODR Regulations and amendments made thereto from time to time.

10.1.6 The fees and compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting if –

10.1.6.1 The annual remuneration payable to such executive director exceeds rupees five crore (5 crore) or 2.5 percent (2.5%) of the net profits of the Company, whichever is higher; or

10.1.6.2 Where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 percent (5%) of the net profits of the Company.

Such approval shall be valid only till the expiry of the term of such director.



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10.1.7 In any Financial Year, if the Company has no profits or its profits are inadequate, the remuneration payable to its directors, including Managing Director and/or other Executive Director(s), shall be governed by the provisions of Schedule V to the Act subject to the approval of the shareholders of the Company.

10.2 Independent Directors / Non-executive Directors

10.2.1 The remuneration to Non-Executive Directors shall consist of sitting fees for attending Board/ Committee meetings, commission and other reimbursements.

10.2.2 Non-Executive Directors shall be paid commission upto an aggregate amount not exceeding 1 % of the net profits of the Company for the year. The payment of commission shall be based on their attendance at the board and the committee meetings as member.

10.2.3 All the Non-executive Directors shall be paid commission on uniform basis.

10.2.4 The Independent directors shall not be entitled to any stock options under the stock option scheme of the Company.

10.3 KMP, Senior Management and other employees

10.3.1 In respect KMPs, senior management and other employees the remuneration shall be payable based on the person's performance, Company's performance, targets achieved, industry benchmark and compensation trends in the industry.

10.3.2 The remuneration shall consist of monthly salary, bonus, perquisites, KPI and other retirement benefits as per the prevailing policy of the Company.

10.3.3 The Committee shall recommend to the Board and finalise the salary and other perks remuneration in whatever form payable to the senior management.

10.4 Employee Stock Options

As permissible under the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014 (as re-enacted), the eligible permanent employees and directors (other than promoter directors and independent directors) of the Company shall be eligible for Stock Options pursuant to Employee Stock Option Scheme of the Company.

10.5 Other common criteria

The Committee shall also consider the following criteria with regards to recommendation of remuneration:

10.5.1 the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate potential candidates of the quality required to run the Company successfully;



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- 10.5.2 relationship of remuneration to performance shall be clear and able to meet appropriate performance benchmarks;
- 10.5.3 in line with best governance practices and legal requirements;
- 10.5.4 remuneration to directors, KMPs and senior management shall involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals; and
- 10.5.5 ensure high quality of work.

11. CRITERIA FOR EVALUATION OF PERFORMANCE OF DIRECTORS

- 11.1 The evaluation process for performance of the Board, its Committees and directors shall be carried out as per the provisions of the Act and the SEBI LODR Regulations.
- 11.2 The Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out by the Board and also review its implementation and compliance.
- 11.3 Each director shall be provided with a questionnaire to be filled up, providing feedback on the overall functioning of the Board and its committees.
- 11.4 The questionnaire shall cover various parameters such as composition structure with independent directors and woman director with relevant skills, experience, knowledge and diversity, understanding of members on their respective roles and responsibilities, discharge of key functions & other responsibilities under the law, etc.
- 11.5 The directors shall also be asked to provide their suggestions for areas of improvements to ensure higher degree of engagement with the management.
- 11.6 The Independent Directors shall have a meeting at least once in a year to review the performance and evaluation of the non-independent directors and the entire Board as a whole including the Chairman.
- 11.7 The evaluation of individual directors shall be carried out considering factors such as their attendance & participation, approach to board & senior management especially for risk management & meeting competition challenges, maintaining confidentiality and other related factors as may be deemed necessary in this exercise.
- 11.8 The evaluation of independent directors shall be done by the entire board of directors (excluding the directors being evaluated) with respect to –
 - 11.8.1 performance of the directors; and
 - 11.8.2 fulfillment of the independence criteria as per the provisions of the Act and SEBI LODR Regulations and their independence from the management.

12. BOARD DIVERSITY

- 12.1 Board diversity is an important aspect that makes use of differences in the skills, regional and industrial experience, background, gender and other distinctions to gain competitive advantage in the market.



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- 12.2 Board diversity shall be such that it ensures that the Board is comprised of adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company.
- 12.3 The Committee shall periodically review the size and composition of the Board to ensure its structure in terms of different perspectives, skills and expertise in the board room.
- 12.4 The Committee shall strive to maintain a proper balance in terms of diversity in gender, thought, experience, knowledge and perspective when recommending persons for appointment to the Board.

13. DISCLOSURE REQUIREMENTS

- 13.1 The Company shall disclose in its Corporate Governance Report, a chart or a matrix setting out the skills/expertise/competence of the board of directors specifying the following:
- 13.2 The list of core skills/ expertise/ competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board; and
- 13.3 The names of directors who have such skills/ expertise/ competence.
- 13.4 The Company shall also disclose in its Corporate Governance Report a confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in SEBI LODR Regulations and are independent of the management.
- 13.5 The Corporate Governance Report shall also include detailed reasons for the resignation of any independent director who resigns before the expiry of his or her tenure along with a confirmation by such director that there are no other material reasons other than those provided.
- 13.6 This Policy shall be uploaded on the website of the Company i.e. www.mkexim.com.
- 13.7 The salient features of this policy and any changes made therein in brief along with a weblink to the policy shall be provided in the Board's Report.

14. LIMITATIONS AND AMENDMENT

- 14.1 In the event of any conflict between the provisions of this policy and the Act or SEBI LODR Regulations or any other statutory requirements, rules, regulations, enactments, the provisions of such Act or SEBI LODR Regulations or any other statutory requirements, rules, regulations, enactments, the provisions shall prevail over this policy.
- 14.2 Any subsequent amendment/modification in SEBI LODR Regulations, Act and/ or applicable laws in this regard shall automatically apply to this policy.

For M.K. Exim (India) Limited

Sd/-

MANISH MURLIDHAR DIALANI
Managing Director