

NOMINATION, REMUNERATION AND EVALUATION POLICY OF **AKC ENGINEERING LIMITED**

INTRODUCTION

In compliance with the provisions of the Companies Act, 2013 read with the Rules made therein and the Listing Agreement with the stock exchanges (as amended from time to time), the Company has laid down this Nomination, Remuneration and Evaluation Policy.

PURPOSE

This Policy is formulated to provide a framework and set standards in relation to the followings:

1. Criteria for appointment and removal of Directors, Key Managerial Personnel (KMP) and Senior Management Executives of the Company.
2. Remuneration payable to the Directors, KMPs and Senior Management Executives.
3. Evaluation of the performance of every Director.
4. Criteria for determining qualifications, positive attributes and independence of a Director.

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, KEY MANAGERIAL PERSONNELS AND SENIOR MANAGEMENT EXECUTIVES.

1. Appointment

- The Nomination & Remuneration Committee (hereinafter referred to as “the Committee”) shall identify and ascertain the integrity, qualification, expertise and experience of the candidate for appointment as Director, KMP or at Senior Management level and recommend his/ her appointment to the Board.
- 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.
- 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.
- Ensure diversity of the members of the Board.
- A letter of appointment shall be given to each Director, KMP and Senior Management Executives, appointed in the Company mentioning his/her terms of appointment and a copy of the said letter shall be acknowledged by the appointee.

2. Term / Tenure

The term/tenure of appointment or re-appointment of the Directors and the KMPs shall be in accordance with the provisions 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.

3. Removal

Due to reasons for any disqualification, the Committee may recommend to the Board, removal of any Director, KMP or Senior Management Executives, with reasons recorded in writing and subject to the provisions & compliance of the applicable Act, Rules and Regulations.

POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNELS (KMPs) AND OTHER EMPLOYEES

The Company follows the policy to fix remuneration of its Directors, KMPs and other employees by taking into account the trend in the industry, qualification, experience, past performance and past remuneration of the respective Directors, KMPs and other employees, in the manner to strike a balance between the interest of the Company and its Stakeholders.

The guiding principle for fixing remuneration payable to the Directors, KMPs and other employees are as follows:

- The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other employees.
- The Remuneration/ Compensation/ Commission etc. paid to the Managing/ Whole-time/ Executive/ Independent Directors and/or KMP, shall be governed as per the provisions of the Companies Act, 2013 and rules made there under. The amount of sitting fees shall be paid in accordance with the decision of the Board, subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under.
- The Remuneration payable to the Directors, KMPs and other employees shall be reflective of the individual's role, responsibilities and experience in relation to performance of day-to-day activities.

POLICY FOR EVALUATION OF INDEPENDENT DIRECTORS AND THE BOARD

The evaluation/assessment of the Independent Directors and the Board of the Company is to be conducted on an annual basis in accordance with the requirements of the Companies Act, 2013 read

with the Rules made there under, the Listing Agreement, as amended from time to time and any other enactment, as made applicable for the time being in force.

The following criteria may assist in determining how effective the performances of the Directors have been:

- Leadership & Managerial abilities.
- Contribution to the corporate objectives & plans.
- Communication of expectations & concerns clearly with subordinates.
- Obtaining adequate, relevant & timely information from external sources.
- Review & approval of strategic & operational plans of the Company, its objectives and budgets.
- Regular monitoring of corporate results against projection.
- Identification, monitoring & mitigation of significant corporate risks.
- Assessment of policies, structures & procedures followed in the Company and their significant contribution to the same.
- Direct, monitor & evaluate KMPs, senior officials.
- Regularity in attending meetings of the Company and inputs therein.
- Review & Maintenance of corporation's ethical conduct.
- Ability to work effectively with rest of the Board of Directors.
- Commitment to the promotion of equal opportunities, health and safety in the workplace.

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors. The performance evaluation of Independent Directors shall be done by the entire Board of Directors of the Company, excluding the Director being evaluated.

The Nomination and Remuneration Committee and the Board of Directors will review this policy periodically and may amend or modify the Policy accordingly, from time to time.

“Unless the context otherwise requires, word and expression used in this policy shall drive their meaning from the Companies Act, 2013 read with the Rules made there under, the Listing Agreement as amended from time to time and any other enactment, as made applicable for the time being in force.”