

MUKAND ENGINEERS LIMITED

Charter of the Nomination and Remuneration Committee

Company's Board of Directors has resolved to establish a Nomination and Remuneration Committee ("the Committee") among its members, which shall consider and prepare the matters pertaining to the appointment, nomination and remuneration of Directors, Key Managerial Personnel (KMP) and other Executives of the Company taking into account the statutory requirements. This allows the Committee to act fairly, appropriately and transparently in accordance with the good corporate governance in order to create confidence and credibility of the Company in stakeholders.

1. Composition of the Committee:

Nomination and Remuneration Committee shall have at least three (3) Members consisting majority of Non-Executive Independent Directors (NEIDs) after taking into account scope and nature of the Company's operations. A quorum shall be two (2) members or any greater number determined by the Committee from time to time. The majority of the members must be Independent Director. The Managing Director or other Executive of the Company may not be appointed to the Nomination and Remuneration Committee.

2. Chairman of the Committee:

The Board elects the Members and Chairman of the Nomination and Remuneration Committee from among the members of the Board.

3. Frequency of the Meetings:

The Chairman will call a meeting of the Committee if so requested by any member of the Committee. The Committee shall meet once in a year.

4. Committee Members' Interests:

A Member of the Committee is not entitled to be present when his or her own salary or fee is discussed at a meeting or when his or her performance is being evaluated.

5. Secretary:

The Secretary of the Company shall act as Secretary of the Committee.

6. Duties of the Committee:

The duties of the Nomination and Remuneration Committee include:

A) Matters pertaining to the nomination and remuneration of members of the Board of Directors:

- i) preparation of the proposal for the appointment / re-appointment of Board members to be approved in the general meeting.
- ii) preparation of the proposal to be approved, if any, by general meeting on matters pertaining to the remuneration of Board members.
- iii) taking care of the succession planning of Board members.

B) Matters pertaining to Key Managerial Personnel (KMP) and other Executives of the Company:

- a) preparation of matters pertaining to the appointment of the Key Managerial Personnel (KMP) and the other Executives as well as the identification of their possible successors.
- b) preparation of matters pertaining to the remuneration and other financial benefits of the Key Managerial Personnel (KMP) and the other Executives.
- c) preparation of matter pertaining to the remuneration structure of the Company.
- d) evaluation of the remuneration of the Key Managerial Personnel (KMP) and the other Executives as well as seeing to it that the remuneration structures are appropriate.
- e) answering questions related to the remuneration statement at the general meeting.

The Nomination and Remuneration Committee shall also prepare the evaluations of the independence in connection with the proposal for the appointment of Board members and the annual evaluations to be made thereof in the organisation meeting.

In addition to the tasks listed above, the Nomination and Remuneration Committee may have other tasks that are appropriate for it to be able to fulfil its function.

The Nomination and Remuneration Committee has the right to investigate and examine matters pertaining to its function and use outside experts and consultants at its discretion.

The Board remains responsible for the duties assigned to the committee. The committee has no autonomous decision-making power, and thus the board makes the decisions within its competence collectively.

7. Reporting:

Proceedings of all meetings are minuted and signed by the Chairman or the chair of the Committee. Minutes of all Committee meetings will be provided to the subsequent Board and Committee meeting. The committee shall regularly report on its work to the Board. The reports shall include at least a summary of the matters addressed and the measures taken by the committee.

8. Remuneration for Committee work:

Members of the Committee shall receive such fees, if any, for their services as may be determined by the Board.

9. Publication of information related to the Committee:

The company shall report the composition of the Committee, number of Committee Meetings held during the financial period and the attendance of Committee Members at the meetings as the attendance of individual members and describes the key content of the Committee's Charters in its Annual Report and web pages.

This Charter is published in its entirety on the Company's Internet site.
