

KILBURN ENGINEERING LIMITED

Regd. office : FOUR MANGOE LANE, Surendra Mohan Ghosh Sarani, Kolkata – 700 001

Remuneration Policy

The Remuneration Policy of Kilburn Engineering Ltd (the “Company”) is designed to attract, motivate and retain manpower in a competitive and international market. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

The Remuneration Policy applies to the Company's senior management, including its Key Managerial Persons (KMPs) and Board of Directors.

GUIDING PRINCIPLES

The Guiding Principle is that the remuneration and other terms of employment shall be competitive in order to ensure that the Company can attract and retain competent executives.

- The Remuneration Policy for executives reflects the overriding remuneration philosophy and principles of the Kilburn. When determining the remuneration policy and arrangements for Whole time Directors / KMPs, the Nomination and Remuneration Committee, constituted in accordance with Section 178 of the Companies Act, 2013, considers parity with peers and employment conditions elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.

- The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

- The Nomination and Remuneration Committee while considering a remuneration package must ensure a direct relationship with the Key Result Areas and individual achievements considering short as well as long term performance objectives appropriate to the working of the company and its goals.

- The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

The Remuneration policy is guided by a common reward framework and set of principles and objectives as envisaged under section 178 of the Companies Act 2013 and Companies (Meetings of Board and its Powers) Rules, 2014 inter-alia principles pertaining to determining qualifications, positive attributes and independence of the Directors, integrity, etc. The main objectives are –

Attract and retain: Remuneration packages are designed to attract high-calibre executives in a competitive global market and remunerate executives fairly and responsibly. The remuneration shall be competitive and based on the individual responsibilities and performance.

Motivate and reward: Remuneration is designed to motivate delivery of our key business strategies, create a strong performance-orientated environment and reward achievement of meaningful short and long-term targets.

The principal terms of non-monetary benefits: The Executives will also be entitled to customary non-monetary benefits such as Company Cars, Telephones/Mobiles, Health care facilities, etc. In addition thereto, in specific cases, particularly at the Unit levels, company may also provide housing and other benefits.

KILBURN ENGINEERING LIMITED

Regd. office : FOUR MANGO LANE, Surendra Mohan Ghosh Sarani, Kolkata – 700 001

Remuneration Policy

EXECUTIVE REMUNERATION – SENIOR MANAGEMENT

Executive remuneration is proposed by the Committee and subsequently approved by the Board of Directors and further by the shareholders and central Government as per legal requirements. Executive remuneration is evaluated annually against performance and a benchmark of international companies, which are similar to Kilburn in size and complexity. Benchmarking is done with the help of reports generated by/through internationally recognized compensation service consultancies. In determining remuneration packages, the Committee may consult with the Chairman/ Managing Director and Independent Directors as well, as appropriate. Total remuneration shall include of following:

- **A fixed base salary**, set at a level aimed at attracting and retaining executives with professional and personal competencies required to drive the Company's performance.
- **Other allowances / incentives**, based on the work profile / achievement of individuals as per business targets, duly approved by the Managing Director.
- **Pension / ESI contributions**, made in accordance with applicable laws and employment agreements.
- **Loyalty / Belongingness to Company**, to be achieved by aligning the rewards and recognitions for longer association of the employees with the organization and encouraging Referrals as one of the sources of recruitment to strengthen the company work-force. Necessary steps to be taken to introduce it in the Company.
- **Working Atmosphere at the workplace**, company committed to provide good working atmosphere conducive to efficient and effective functioning of the employees with excellent culture and good inter-personal relationship within the organization as well as with external business associates.
- **Female employees, HR policy** of the company gives fair chance to males as well as females in employment and prefers to maintain the reasonable balance. It also provides requisite protection to female employees through effective implementation of HR Policies to safeguard against Sexual Harassment, etc.
- **Severance payments** in accordance with termination clauses in employment agreements. Severance payments shall comply with the legal framework.

DISCLOSURE OF INFORMATION

Information on the total remuneration of members of the Company's Board of Directors, Executive Board of Management and senior management may be disclosed in the Company's annual financial statements. This includes any deferred payments and extraordinary contracts during the preceding financial year.

APPROVAL OF THE REMUNERATION POLICY

This Remuneration Policy shall apply to all future employment agreements with members of Company's Senior Management including Key Managerial Person and Board of Directors. The Remuneration Policy is binding for the Board of Directors. In other respects, the Remuneration Policy shall be of guidance for the Board and shall be modified /revised with the consent of the Nomination and Remuneration committee and Board of Directors of the company from time to time as may be required. Any departure from the policy shall be recorded and reasoned in the Board's minutes.

DISSEMINATION

The Company's Remuneration Policy shall be published on its website.