



**SWISS
MILITARY**

NOMINATION AND REMUNERATION POLICY

This Policy on Director's Nominations (the "Policy") describes the process by which candidates for possible inclusion in the Company (the "Candidates") are selected. The Policy is established and administered by the Nomination and Remuneration Committee (the "Committee") of SWISS MILITARY CONSUMER GOODS LIMITED (the "Company").

BOARD MEMBERSHIP CRITERIA:

The Committee's charter provides that the Committee is responsible for, among other things, identifying individuals qualified to become members of the Company's Board of Directors (the "Board") and selecting or recommending to the Board, the nominees to stand for election as Directors.

GENERAL QUALIFICATIONS:

When evaluating a person for nomination for election to the Board or at senior management level, the qualifications and skills considered by the Committee, will include, but are not limited to:

1. Whether the person is qualified under applicable laws and regulations to serve as a Director of the Company;
2. whether or not the person is willing to serve as a Director or at senior management level and willing to commit the time necessary for the performance of the duties of a Director;
3. the contribution that the person can make to the Board or at senior management, with consideration being given to the person's business experience, education and such other factors as the Board may consider relevant;
4. whether a candidate contributes to the Board's overall diversity with diversity being broadly construed to mean a variety of personal and professional experiences and education;
5. opinions, perspectives and backgrounds;
6. the character and integrity of the person;
7. the extent to which the person demonstrates a long term and strategic perspective and
8. the extent to which the person possesses pertinent technological, political, business, financial or social/ cultural expertise and experience.

The Committee is of the view that the continuing service of qualified incumbents promotes stability and continuity in the board room or at senior management level, contributing to the Board's ability to work as a collective body, while giving the Company the benefit of the familiarity and insight into the Company's affairs that its Directors have accumulated during their tenure. Accordingly, the process of the Committee for identifying nominees shall reflect the Company's practice of re-nominating incumbent Directors or persons at senior level management who continue to satisfy the Committee's criteria for membership on the Board or at senior management level, whom the Committee believes continue to make important contributions to the Board and who consent to continue their service on the Board.

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SOURCES OF INQUIRY:

The Committee may use multiple sources for identifying Director candidates, including its own contacts and referrals from other Directors, members of management, the Company's advisors and executive search firms.

In making recommendations for Director Nominees for the annual meeting of shareholders the Committee will consider any written recommendations of Director candidates by shareholders received by the Secretary of the Company. No person nominated by a shareholder will be eligible to serve as a Director of the Company unless nominated in accordance with the procedures set forth in such Nomination policy.

This Nomination Policy is intended to provide a flexible set of guidelines for the effective functioning of the Company's nomination process. The Board of Directors anticipates that modifications may be necessary or appropriate from time to time as the Company's needs and circumstances evolve and as applicable legal or listing standards change.

EVALUATION CRITERIA:

The Committee shall evaluate the performance of the Directors on the basis of the following criteria:

1. Accomplishment of the organization's mission, objectives and strategic results for which the Director is responsible;
2. Adherence to operational policies approved by the Board;
3. Insuring that the Board is well informed on issues affecting the continuing relevance of the mission and the performance and reputation of the Society.

OBJECTIVE:

The objectives of this policy are:

1. to create a transparent system of determining the appropriate level of remuneration throughout all levels of the Company;
2. encourage people to perform to their highest level;
3. allow the Company to compete in each relevant employment market;
4. provide consistency in remuneration throughout the Company and
5. align the performance of the business with the performance of key individuals and teams within the Company.

The policy details the types of remuneration to be offered by the Company and factors to be considered by the Board, Nomination & Remuneration Committee and management in determining the appropriate remuneration strategy.

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Remuneration to Non- Executive / Independent Directors:

1. The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Committee and approved by the Board of Directors.
2. 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 there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Committee and approved by the Board of Directors or shareholders, as the case maybe.
3. 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. The Committee, shall determine the stock options and other share-based payments to be made to Directors (other than Independent Directors).
4. 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:
 - a. The Services are rendered by such Director in his capacity as the professional;
 - b. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

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