

SWISS MILITARY CONSUMER GOODS LIMITED

Criteria for making payments to Non-Executive Directors

The Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have enhanced the corporate governance norms to be complied by all Companies and dynamic business environment have placed more onerous responsibilities on the Non-Executive Directors (NED).

With changes in the Corporate Governance norms brought by the Companies Act, 2013 as well as the Listing Regulations, the role of Non - Executive Directors particularly the Independent Directors and the degree and quality of their engagement with the Board and the Company has undergone significant changes. The Company is being hugely benefited from their expertise, advice and inputs. They devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestions and guidance to the management of the Company from time to time.

Accordingly, the following criteria is laid down for Swiss Military Consumer Goods Limited (hereinafter referred as “the Company”).

In keeping with the above, any fee/remuneration payable to the NEDs of the Company shall abide by the following:

Remuneration to Non-Executive /Independent Director

1. Sitting Fees

Such director(s) may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or any other meeting as required by Companies Act, 2013, SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 or other applicable law or for any other purpose whatsoever as may be decided by the Board.

2. Commission:

Section 197(6) of the Companies Act, 2013, allows a company to pay remuneration to its NEDs either by way of a monthly payment or at a specified percentage of the net profits of the company or partly by one way and partly by the other.

3. Reimbursement of actual expenses incurred:

NEDs may also be paid / reimbursed such sums either as fixed allowance and /or actuals for travel, incidental and / or actual out of pocket expenses incurred by such Director / Member for attending Board / Committee Meetings.

4. Payment to Independent Directors:

An independent director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or committee thereof and profit related commission up to a certain percentage of net profits in such proportion, as may be permissible under the applicable law at the discretion of the Board.
