



KSS LIMITED

POLICY ON PAYMENT TO DIRECTORS
KEY MANAGERIAL PERSONNEL ETC



POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

1. Appointment Criteria and Qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board of his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a resolution as required under the Act based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- d) A whole-time KMP of the Company shall not hold office in more than one Company except in its Subsidiary Company at the same time. However they can be appointed as Director in any Company with the permission of the Board of Directors of the Company.

2. Term/ Tenure

- a) Managing Director/ Whole-time Director

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Whole time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- b) Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for



appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

Every Independent Director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change, give a declaration that he meets the criteria of independence.

3. Evaluation

The Committee shall carry out evaluation of performance of every Director including Independent Director, KMP and Senior Management Personnel at regular interval (yearly). Based on the evaluation performance report of the board, it shall be determined whether to extend or continue the term of appointment of the independent Directors

4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

5. Retirement

The Directors, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.



POLICY FOR REMUNERATION TO DIRECTORS/ KMP/ SENIOR MANAGEMENT PERSONNEL

The compensation to the Directors/ KMP/ Senior Management Personnel of the Company are broadly governed by the provisions of the Companies Act 2013, Articles of Association of the Company and the SEBI regulations.

Executive Directors

Executive Directors are eligible to receive a fixed remuneration on a monthly basis either from the Company or its Subsidiary Company(ies) in which also they are the Executive Directors. The aim of providing fixed remuneration is to attract and retain the best qualified members to the Board. The fixed remuneration is determined based on market standards and the Company's specific needs from time to time. The Board of Directors evaluate the fixed remuneration annually based on the results from the previous period and with due consideration to the trend within the market standards. Apart from the fixed remuneration, the Executive Directors are eligible for performance linked bonus (based on performance of the Company and the performance of Individual Executive Director), which will be decided by the Board. The Executive Directors are also eligible for Stock Options at the discretion of the Board.

Executive Directors do not receive any sitting fees for attending the Board and Committee meetings.

Non Executive Directors

Non Executive Directors are eligible for fixed amount of sitting fees for attending meeting of the Board of Directors and its committees. The Independent Directors are not eligible for Stock Options.

Sitting fees

No Sitting fees is presently payable to the Board of Directors for attending the meetings of the Board and its committees is based on the following criteria. However the Board has the flexibility to enhance the sitting fees upto the maximum limit allowed by the Companies Act, 2013 and Rules thereunder.

Sharing profits by way of Commission

Considering the contribution and guidance by the Non executive directors for the progress of the Company, collectively they are eligible for a commission out of net profits of the Company upto to an overall limit of 1% of the net profits of the Company for each financial year



computed as per the Companies Act, 2013 and subject to such limits as may be determined from time to time by the Board of Directors on the recommendation by the Nomination and Remuneration Committee. The amount of commission, if any, for every financial year will be decided by the Board of Directors.

The Commission shall be paid to the Directors basis the following criteria:

- Performance of the Company during the particular Financial Year
- Reviewing the Industry practices and bench marks
- Maintenance of Independence and adherence to Corporate Governance during discussion and proceedings of the Board Meetings.
- Timely guidance to the Board on important policy matters of the Company.

Key Managerial Personnel and Senior Management Personnel

The Remuneration/ Compensation/ Commission etc. to be paid to Director/ Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

POLICY REVIEW

This policy is framed based on the provisions of the Companies Act, 2013 read with rules made there under and the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Earlier Clause 49 of the Listing Agreement). However at present the Company has not paid any remuneration/ sitting fees to its Directors (Executive/ Non Executive).

This policy shall be reviewed by Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes in the policy shall be approved by the Board of Directors.