



SWISS GLASCOAT EQUIPMENTS LIMITED

H-106, Phase- IV, G.I.D.C.,
Vithal Udyognagar - 388121 Gujarat.

CIN: L26100GJ1991PLC016173

EXTRACT OF REMUNERATION POLICY FOR THE BOARD OF DIRECTORS

A. Objective

The Remuneration Policy for the Board Members reflects the interests of the shareholders and the company, taking into consideration any specific matters, including the level in comparable companies, the assignments and the responsibility undertaken, required competencies, etc, and thereby aim to secure coordinated and fair Remuneration Policy for the Company.

The policy is built on the principles of transparency, equality, simplicity and complacency. The Committee takes cognizance of market norms and practices, as well as the additional responsibilities placed on Board members by new legislation and corporate governance principles.

This Policy delineating the structure of Remuneration package including the basic salary, allowances , bonus and perquisites to the Directors and the Board shall be in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Agreement with the BSE Ltd as amended from time to time.

B. Guidelines for Remuneration to the Directors and Senior Managerial Personnel

The Company shall pay managerial and non-managerial remuneration to its Directors in accordance with Sections 197 to 202 of the Companies Act, 2013 read with Schedule V to the Act.

C. Remuneration to the Executive Directors

The Executive Management of the Company includes the Executive Directors- Managing & Whole-time Directors. Executive Directors are employed under executive service contracts containing details of his main duties and responsibilities and remuneration.

The Nomination & Compensation Committee ensures that the remuneration is in line with the conditions in comparable companies and submits proposals concerning the remuneration of the Executive Directors in the Board meeting for its approval.

The Executive Directors may be paid remuneration 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.

The Executive Directors may be paid cash bonuses or incentives directly related to the working performance of the individual employees, their status and responsibility, the economical performance of the Company, the achievements of certain operational goals, including reaching certain budget targets, subject to the applicable laws of land.

Any premium paid on Directors & Officers Indemnity insurance shall not be treated as part of the remuneration payable to any such personnel, unless if such person is proved to be guilty.

Executive Directors have access to a number of work-related benefits, including company car, free telephony, broadband at home, and work-related newspapers and magazines. The extent of individual benefits is negotiated with each individual member of the Executive Management.

D. Remuneration to the Non-Executive Directors

The company's policy on remuneration for non-executive directors is that, as a general guideline, shall:



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- be performance-related and market-related (having regard to number of meetings attended by non-executive directors of companies of similar size and structure to the company and operating in similar sectors); and
- not linked to Company's share price or the company's performance.

All fees /compensation, if any paid to Non-Executive Directors, including Independent Directors, shall be fixed by the Board of Directors within the limits stipulated by law

The company pays for all travel and accommodation expenses incurred by directors on official visits for company purpose.

No severance fees is paid to the Non-Executive Directors on consequent to retirement or resignation or any other circumstances.

i. Remuneration to Non-Executive Directors other than Independent Directors:

The remuneration payable to directors who are neither managing directors nor whole-time directors shall not exceed,—

- (a) one per cent. of the net profits of the company, if there is a managing or whole-time director or manager;
- (b) three per cent. of the net profits in any other case.

The percentages aforesaid shall be exclusive of sitting fees payable to directors.

ii. Remuneration to the Independent Directors:

The Companies Act, 2013 expressly disallows independent directors from obtaining stock options and remuneration other than sitting fees and reimbursement of travel expenses for attending the board and other meetings.

However, the Company may pay to them any Profit-related Commission, subject to the approval of the shareholders. The reason behind it to prevent personal financial nexus with the company and to safeguard their independence.