

POLICY FOR BOARD

This shall cover the following policies:

1. Policy for formal annual evaluation by the Board of its own performance, that of its committees and Individual Directors- **Part A**
2. Policy on Board Diversity-**Part B**
3. Policy on Director's appointment and remuneration of the Directors, KMP and other employees including criteria for determining qualifications, positive attributes, independence of a director and other matters.-**Part C**
4. Plans for orderly succession for appointments to the Board and to Senior Management-**Part D**

Part A- POLICY FOR ANNUAL EVALUATION

INTRODUCTION

Various provisions of the Companies Act, 2013 and rules made thereof and other applicable provisions as well as Listing Agreement has bestowed clear and significant responsibilities and obligation on the Independent Directors and Non Independent Directors to monitor and evaluate the performance of Directors, Chairperson and the Board of Directors. In order to align with the provisions of section 178, Schedule IV and other applicable provisions of the Companies Act, 2013 and rules made thereunder and requirement of Clause 49 of the Listing Agreement, acting on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of Standard Shoe Sole and Mould India Limited has formulated criteria and policy to evaluate the performance of the Independent Directors and Non Independent Directors of the Company (Directors Performance Evaluation Policy).

DEFINITIONS

1. “**Act**” shall mean The Companies Act, 2013;
2. “**Company**” or “**SSSMIL**” shall mean Standard Shoe Sole and Mould India Limited
3. “**Director**” or “**Board**” in relation to the Company, shall mean and deemed to include the collective body of the Board of Directors of the Company including the Chairman of the Company.
4. “**Independent Director**” shall mean an Independent Director as defined under section 2 (47) to be read with section 149 (6) of the Act and Listing Agreement with Stock Exchange.

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5. “Policy” shall mean the Policy for Evaluation of performance of Board of Directors of the Company
6. “Committee” shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of Companies Act, 2013.

OBJECTIVE

The Object of this policy is to formulate the procedures and also to prescribe and lay down the criteria to evaluate the performance of the entire Board of the Company.

EFFECTIVENESS OF THE BOARD

The overall effectiveness of the Board shall be measured on the basis of the ratings obtained by each Director and accordingly the Board shall decide the Appointments, Re-appointments and Removal of the non-performing Directors of the Company.

RESPONSIBILITIES OF THE BOARD

It shall be the duty of the Company to organize the evaluation process and accordingly conclude the steps required to be taken. The evaluation process will be used constructively as a system to improve the directors’ and committees’ effectiveness, to maximize their strength and to tackle their shortcomings.

The Board of Directors shall undertake the following activities on an annual basis:

- I. Review the various strategies of the Company and accordingly set the performance objectives for directors, consistent with the varying nature and requirements of Company’s business.
- II. The Board as a whole shall discuss and analyze its own performance during the year together with suggestions for improvement thereon, pursuant to the performance objectives.

In conformity with the requirement of the Act, the performance evaluation of all the independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

Independent Directors are required to evaluate the performance of non - independent directors and Board as a whole. The independent directors of the Company shall hold at least one meeting in a year to exercise the functions as mentioned in Act and its applicable Schedules.

EVALUATION PROCESS

The Board of Directors shall take into consideration the following parameters for the purpose of evaluating the performance of a particular director:

In respect of each of the evaluation parameters, various descriptors have been provided to assist with the evaluation process in respect of performance of Board itself, and of its committees and individual directors, as such evaluation factors may vary in accordance with their respective functions and duties.

The evaluation scale is a simple three point scale i.e. Below Expectations (1), Meets Expectations (2) and Surpasses Expectations (3). Appraisal of each Director of the Company by the other Directors shall be based on the criteria as mentioned

a. Self Evaluation:

Each Board member shall assess his/her performance as per the designated Self evaluation form.

b. Evaluation of Independent Directors

The entire Board (excluding the Director being evaluated) shall conduct performance evaluation of all the Independent Directors.

c. Evaluation of Non-Independent Directors

- i. The Independent directors of the Company shall hold at least one meeting in a year, without the attendance of Non Independent Directors and members of management. All the Independent Directors of the Company shall strive to be present at such meeting.
- ii. The Independent Directors in the meeting shall, *inter-alia*:
 1. review the performance of Non Independent Directors and the Board as a whole;
 2. review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non Executive Directors;
 3. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

d. Evaluation Form

- i. The Committee will be responsible for the distribution of the evaluation forms on annual basis. The Committee will conduct or oversee the ministerial duties to prepare, send, collect and tabulate the evaluation form and schedule conference calls or necessary meetings to facilitate the evaluation..
- ii. All Board members' comments provided in the evaluation form of the Board / other Board member(s) will be anonymous.

e. Outcome of Evaluation

The results of the evaluation and comments, if any, presented on the evaluation form will be reported to the Board / Committee for deliberation(s).

f. Communication

- i. The Board will evaluate, discuss and collate the results of the evaluation process.
- ii. The Board will meet and intimate the evaluation results to the Independent Director and the Non Independent Directors.
- iii. The Independent Director and the Non Independent Directors shall be provided an opportunity to address the Board regarding his or her final evaluation results, or submit a written response to the Board to be kept as an attachment with the written evaluation results.

g. Confidentiality

The discussions held during the Board meeting shall be kept confidential among those who attend the meetings. The written evaluation results are strictly confidential.

The discussions held during the Board meeting and the written evaluation results are not public records and are confidential in nature. The written evaluation results shall form part of the confidential personnel file of the Independent Director & Non Independent Director.

KINDS OF PERFORMANCE EVALUATION

- a. **APPRAISAL SYSTEM:** Appraisal of each Director of the Company shall be based on the criteria as specified herein. This appraisal is mandatory and will be done under the provision of the clause (p) of subsection (3) of Section 134.
- b. **EVALUATION OF THE PERFORMANCE:** The Committee shall evaluate the performance of each Board of Directors of the Company with reference of the authority under the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of section 178 of the Companies Act, 2013 and based on their functions as mentioned in the Code of Conduct of the Directors and the criteria for the evaluation of the performance as prescribed herein. Evaluation of Independent Director shall be carried on by the entire Board in the same way as it is done for the Executive Directors of the Company except the Director getting evaluated. Based on the performance evaluation of each and every Director and the Chairman of the Company, the Committee shall provide the ratings based on each criteria and sub-criteria.
- c. **EFFECTIVENESS OF THE BOARD:** Based on the ratings given by the Nomination & Remuneration Committee to each Director, the overall effectiveness of the Board shall be measured and accordingly the Board shall decide the Appointments, Re-appointments and Removal of the non-performing Directors of the Company..

CRITERIA FOR EVALUATION

A. PERFORMANCE EVALUATION OF INDEPENDENT DIRECTOR

Sr. No.	Criteria	Rating				Comments, if any
		1	2	3	N/A	
1.	Knowledge to perform the role					
a.	Knowledge of the Job Profile					
b.	Skills required to perform or to execute the job profile					
c.	Has an understanding of the key risks facing the Company					
d.	Has an understanding of the key policies of the Company					
e.	Keeps updated knowledge of his/her areas of expertise and other important areas					
f.	devote sufficient time and attention to his/ her					

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	<p>obligations for informed and balanced decision making;</p> <p>g. not allow any extraneous considerations that will vitiate his / her exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;</p> <p>h. Refrain from any action that might lead to loss of independence</p>					
<p>2.</p>	<p>Attendance & Participation</p> <p>a. Attendance and participations in the Board Meetings</p> <p>b. Attendance and participations in the Committee Meetings</p> <p>c. Attendance and participations in the General Meetings</p> <p>d. Prepares adequately for Board and Committee Meetings</p> <p>e. Expert opinions in respect of the serious issues</p> <p>f. Timely inputs on the minutes of the meeting</p> <p>g. Willingness to spend time and effort learning about the company and its business</p> <p>h. how resolute are they in holding to their views and resisting pressure from others, wherever necessary</p>					
<p>3.</p>	<p>Contribution to resolving issues</p> <p>a. Directions provided in the best interest of the Company on key issues</p> <p>b. Strategies formulated and successfully implemented</p> <p>c. Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings</p>					

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d.	Has participated constructively and objectively in all meetings of the Board or committee of the Board where he is a member				
e.	Has evaluated all significant complaints				
4.	Interpersonal Relations				
a.	Interpersonal relations with other directors and management				
b.	Conduct himself /herself in a manner that is ethical and consistent with the laws of the land.				
c.	Initiative to maintaining Corporate Culture of the Company				
d.	Initiative to maintaining Moral Values of the Company				
e.	Functioning of Duties and Responsibilities as per the Code of Conduct for Directors				
f.	Abidance and behavior in accordance with Code of Conduct for Directors				
g.	Gives fair chance to other members to contribute, participates actively in the discussions and is consensus oriented				
h.	Mediate and settle matters involving interest of the company vis a vis conflict between management and shareholder's interest				
5.	Board's Performance				
a.	Objective evaluation of Board's performance, rendering independent, unbiased opinion				
b.	Has maintained confidentiality of all information obtained in the capacity of an Independent Director.				
c.	Has not abused his position for gaining any personal benefit either for himself or any person related.				
d.	review, determine and approve remuneration of executive directors, key managerial personnel				

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	and senior management and recommend remedial measures, if necessary;					
6.	Others					
a.	Assist the company in implementing the good corporate governance practices.					
b.	Professional contribution to the Company.					
c.	Bring inprofessional expertise, experience and independent judgment on Board’s deliberation(s) on various aspects such as strategy planning, performance, risk management; Specify any other parameter/ criteria					
d.						

B. PERFORMANCE EVALUATION OF THE BOARD

Sr. No.	Criteria	Rating				Comments, if any
		1	2	3	N/A	
1.	Knowledge to perform the role					
a.	Knowledge of the Job Profile					
b.	Skills required to perform or to execute the job profile					
c.	Has an understanding of the key risks facing the Company					
d.	Has an understanding of the key policies of the Company					
e.	Keeps updated knowledge of his/her areas of expertise and other important areas					
f.	devote sufficient time and attention to his/ her professional obligations for informed and balanced decision making;					
2.	Attendance & Participation					
a.	Attendance and participations in the Board Meetings					
b.	Attendance and participations in the Committee Meetings					

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<ul style="list-style-type: none"> c. Attendance and participations in the General Meetings d. Prepares adequately for Board and Committee Meetings e. Expert opinions in respect of the serious issues f. Timely inputs on the minutes of the meeting 					
<p>3. Contribution to resolving issues</p> <ul style="list-style-type: none"> a. Directions provided in the best interest of the Company on key issues b. Strategies formulated and successfully implemented c. Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings d. Has participated constructively and objectively in all meetings of the Board or committee of the Board where he is a member e. Has evaluated all significant complaints 					
<p>4. Interpersonal Relations</p> <ul style="list-style-type: none"> a. Interpersonal relations with other directors and management b. Conduct himself /herself in a manner that is ethical and consistent with the laws of the land. c. Initiative to maintaining Corporate Culture of the Company d. Initiative to maintaining Moral Values of the Company e. Functioning of Duties and Responsibilities as per the Code of Conduct for Directors f. Abidance and behavior in accordance with Code of Conduct for Directors g. Gives fair chance to other members to contribute, participates actively in the discussions and is consensus oriented 					

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h.	Mediate and settle matters involving interest of the company vis a vis conflict between management and shareholder's interest					
5	<p>Contribution to Company</p> <p>a. Contribution towards growth of the Company including actual vis-a-vis budgeted performance. Leadership initiative, like new ideas and planning towards growth of the Company and steps initiated towards Branding of the Company</p> <p>b. devote sufficient time and attention to his / her professional obligations for informed and balanced decision making;</p> <p>c. professional expertise and experience to carry out and help the management on various aspects such as strategy planning, performance, risk management and operations of the Company</p>					
6.	<p>Board's Performance</p> <p>a. Objective evaluation of Board's performance, rendering independent, unbiased opinion</p> <p>b. Has maintained confidentiality of all information obtained in the capacity of an Independent Director.</p> <p>c. Has not abused his position for gaining any personal benefit either for himself or any person related.</p>					
7.	<p>Others</p> <p>a. Assist the company in implementing the good corporate governance practices.</p> <p>b. Professional contribution to the Company.</p> <p>c. Specify any other parameter/ criteria</p>					

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C. PERFORMANCE OF THE BOARD

Sr. No.	Assessment Criteria	Yes	N o	Remarks
1.	Is the composition of the board appropriate with the right mix of knowledge and skills required to drive organizational performance in the light of future strategy?			
2.	Members of the board meet all applicable independence requirements.			
3.	The Board of Directors is effective in establishing a corporate environment that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations.			
4.	The Board of Directors is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.			
5.	The Company's systems of control are effective for identifying material risks and reporting material violations of policies and law and The Board is provided with sufficient information about material risks and problems that affects the Company's business and prospects.			
6.	The Board receives regular financial updates and takes all necessary steps to ensure the operations of the organization are sound and reviews the organization's performance in carrying out the stated mission on a regular basis.			
7.	Are sufficient numbers of board meetings, of appropriate length, being held to enable proper consideration of issues?			
8.	The information provided to directors prior to Board meetings meets expectations in terms of length and level of detail and Board members come prepared to meetings and ask appropriate questions of management and address issues that might present a conflict of interest.			
9.	Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues.			
10.	The Chairman of the Board effectively and appropriately leads and facilitates the Board meetings and the policy and			

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	governance work of the Board.			
11.	Nomination and appointment of Board members and their Remuneration follow clearly established procedures using known criteria as laid down by the Nomination and Remuneration Committee.			
12.	The Board oversees the role of the independent auditor from selection to termination and has an effective process to evaluate the independent auditor's qualifications and performance (through its Audit Committee).			
13.	Company has a system for Corporate Social Responsibility, Stakeholder Relationships and for prohibition of insider trading			
14.	Company has necessary Committees which are required and these Committees are working effectively			
15.	Board ensures that timely disclosures are made as per statutory requirements			
16.	The board's performance against any objective that was set was achieved			
17.	The Board contributes effectively to the development startegy			
18.	Relationships inside and outside the board are working effectively			
19.	Does the board communicate well with the management team, employees and others			
20.	Does the board communicate well with the management team, employees and others			
21.	Is time used effectively			
22.	Is board procedure flexible and is the conducive to effective performance			

POLICY AMENDMENTS

The Committee subject to the approval of the Board or the Board shall review the policy and may amend this policy from time to time. Any or all provisions of this policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

DISCLOSURES

In terms of Section 134 of the Act, the Directors' Report should include a statement indicating a manner in which the Board has done formal annual evaluation of its own performance, performance of Committees and individual Directors of the Company

Part B- POLICY ON BOARD DIVERSITY

INTRODUCTION

This Board Diversity Policy ("the Policy") for the Boards of Directors ("the Board") of Standard Shoe Sole and Mould India Limited ("the Company") has been formulated by the Board of Directors pursuant to Clause 49 of the Listing Agreement and is devised in consultation with the Nomination and Remuneration Committee (the "Committee") of the Board.

DEFINITIONS

For the purpose of this Policy:

1. 'Act' shall mean The Companies Act, 2013;
2. "Company" or "SSSMIL" shall mean Standard Shoe Sole and Mould India Limited
3. "Director" or "Board" in relation to the Company, shall mean and deemed to include the collective body of the Board of Directors of the Company including the Chairman of the Company.
4. "Independent Director" shall mean an Independent Director as defined under section 2 (47) to be read with section 149 (6) of the Act and Listing Agreement with Stock Exchange.
5. "Policy" shall mean the Policy for Board Diversity of the Company
6. "Committee" shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of Companies Act, 2013.
7. 'Other employees' means, all the employees other than the Directors, KMPs and the Senior Management Personnel.'

8. **“Key Managerial Personnel”** or KMP means key managerial personnel as defined under the Companies Act, 2013 & includes:- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director; ii. Company Secretary; and iii. Chief Financial Officer iv. Such other officer as may be prescribed
9. **‘Senior Management Personnel’** means personnel of the company who are members of its core management team excluding Board of Directors, and comprises of all members of management who are in the grade that is one level below the WTD
10. **“Diversity”** Includes differences that relate to gender, age, ethnicity, disability, sexual orientation and cultural background. In addition, Diversity also includes differences in background and life experience, communication styles, interpersonal skills, education, functional expertise and problem solving skills

OBJECTIVE

This Policy sets out the Company’s approach to ensuring adequate diversity in its Board of Directors. The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance.

The Company believes that a diverse board will enhance the decision making of the Board by utilizing the difference in skills, experience and background, geographical and industry experience, ethnicity, gender, knowledge and length of services, and other distinguishing qualities of the members of the Board. Diversity will be considered in determining the optimum composition of the Board, and all appointments will be based on merit, having due regard to the overall effectiveness of the Board. Nomination and Remuneration Committee of the Company is responsible for reviewing and assessing the composition of the Board and will make recommendations to the Board on the appointment of new directors.

SCOPE

The Diversity in the Board is increasingly recognized by the government, stock exchanges, companies, shareholders and other stakeholders as an essential component of good corporate governance that ultimately leads to better business success and sustainability. The Policy sets out the approach to have diversity on the Boards of the Company in terms of thought, experience, knowledge, perspective and gender in the Board. The Policy of the company applies to the Board only. It does not apply to diversity in relation to employees of the Company.

TERMS OF POLICY

The Policy shall conform to the following two principles for achieving diversity on the Board:

- a.** Decisions pertaining to recruitment, promotion and remuneration of the directors will be based on their performance and competence; and
- b.** For embracing diversity and being inclusive, best practices to ensure fairness and equality shall be adopted and there shall be zero tolerance for unlawful discrimination and harassment of any sort whatsoever.

In order to ensure a balanced composition of executive, non-executive and independent directors on the Board, the Company shall consider candidates from a wide variety of backgrounds, without discrimination, and based on the following factors:

Gender- The Company shall not discriminate on the basis of gender in the matter of appointment of directors on the Board. The Company encourages the appointment of women at senior executive levels to achieve a balanced representation on the Board. As per the provisions of the Companies Act, 2013, the Company shall at all times have at least one woman director on the Board. Any vacancy of the woman director shall be filled within a period of six months.

Ethnicity - The Company shall promote having a boardroom comprising of people from all ethnic backgrounds so that the directors may efficiently contribute their thorough knowledge, sources and understanding for the benefit of Company's business;

Physical disability - The Company shall not discriminate on the basis of any immaterial physical disability of a candidate for appointment on the Company's Board, if he/she is able to efficiently discharge the assigned duties.

Educational qualification- The Directors of the Company shall have a mix of finance, engineering, legal and management background, so that they collectively provide the Company with considerable experience in a range of activities including varied industries, education, policy and investment.

The Committee will discuss and agree annually all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. At any given time the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

For all Non-Executive Director appointments, and where appropriate for Executive Director Appointments, use open advertising or the services of external executive search firms to facilitate the search; Consider candidates from a wide range of backgrounds, including those without public company board experience; Consider candidates on merit and against objective criteria and with due regard for the benefits of diversity on the Board; and Ensure that the specification for a new Director is equally suited to both female and male applicants.

REVIEW OF POLICY

The Committee may assess the adequacy of this Policy and make any necessary or desirable amendments from time to time to ensure it remains consistent with the Board's objectives, current laws, best practices and Listing Agreement.

Part C- NOMINATION AND REMUNERATION POLICY

INTRODUCTION

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, key managerial personnel and employees of the company, to harmonize the aspirations of human resources consistent with the goals of the company and in terms of the provisions of the Companies Act, 2013 and the Listing Agreement with the stock exchanges (as amended from time to time), this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated by the Nomination and Remuneration/Compensation Committee ("NRC") and approved by the Board of Directors of the Company.

DEFINITIONS

1. 'Act' shall mean The Companies Act, 2013;
2. "Company" or "SSSMIL" shall mean Standard Shoe Sole and Mould India Limited

3. “**Director**” or “**Board**” in relation to the Company, shall mean and deemed to include the collective body of the Board of Directors of the Company including the Chairman of the Company.
4. “**Independent Director**” shall mean an Independent Director as defined under section 2 (47) to be read with section 149 (6) of the Act and Listing Agreement with Stock Exchange.
5. “**Policy**” shall mean the Nomination & Remuneration Policy of the Company
6. “**Committee**” shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of Companies Act, 2013.
7. ‘**Other employees**’ means, all the employees other than the Directors, KMPs and the Senior Management Personnel.’
8. “**Key Managerial Personnel**” or KMP means key managerial personnel as defined under the Companies Act, 2013 & includes:- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director; ii. Company Secretary; and iii. Chief Financial Officer iv. Such other officer as may be prescribed
9. ‘**Senior Management Personnel**’ means personnel of the company who are members of its core management team excluding Board of Directors, and comprises of all members of management who are in the grade that is one level below the WTD
10. “**Remuneration**” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

OBJECTIVE

The objective of this policy is to make a plan for orderly succession for appointment to the Board and to the Senior Management.

1. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
2. To guide the Board in relation to appointment and removal of Directors, Key Managerial and Senior Management Personnel.
3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
4. To determine remuneration based on the Company’s size and financial position and trends and practices on remuneration prevailing in peer companies in similar industry.

5. To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
6. To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial personnel and create competitive advantage.

ROLES OF COMMITTEE

The duty of the Committee covers the matters relating to nomination and remuneration of the Directors, Key Managerial and Senior Management Personnel of the Company.

(A) Nomination matters includes:

- (i) Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
- (ii) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment as per the provisions of Companies Act 2013;
- (iii) Identifying and recommending Directors who are to be put forward for retirement by rotation.
- (iv) Determining the appropriate size, diversity and composition of the Board as per the provisions of Companies Act 2013.
- (v) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- (vi) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- (vii) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- (viii) Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- (ix) Recommend any necessary changes to the Board.
- (x) Considering any other matters as may be requested by the Board.

(B) Remuneration matters includes:

- (i) To consider and determine the Remuneration, based on the principles of (i) pay for responsibilities, (ii) pay for performance and potential and (iii) pay for growth and ensure that the remuneration fixed is reasonable and sufficient to attract, retain and motivate the members.
- (ii) To take into account, financial position of the Company, trend in the Industry, appointee's qualification, experience, past performance, past remuneration, etc.

- (iii) To bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- (iv) To consider other factors as the Committee shall deem appropriate for elements of the remuneration of the members of the Board and ensure compliance of provisions of Companies Act 2013 and other applicable laws.
- (v) To ensure that a balance is maintained between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company in the remuneration of Senior Management and Key Managerial Personnel.
- (vi) To consider any other matters as may be requested by the Board; (vii) Professional indemnity and liability insurance for Directors and senior management.

POLICY FOR APPOINTMENT & REMOVAL OF DIRECTOR, KMP OR SENIOR MANAGEMENT

Appointment Criteria & Qualifications

1. The Committee shall identify and ascertain the criteria like integrity, expertise and experience and qualifications for appointment to the positions of Director, KMP and Senior Management.
2. A potential candidate being considered for appointment to a position should possess adequate qualification, expertise and experience for the position. The Committee shall review qualifications, expertise and experience commensurate to the requirement for the positions. The Committee will insist on the highest standards of ethical and moral qualities to be possessed by such persons as are considered eligible for the positions.
3. The Committee shall determine the suitability of appointment of a person to the Board of Directors of the Company by ascertaining whether the fit and proper criterion is met by the candidate in the opinion of the Committee.
4. The Committee may recommend appropriate induction & training programme for any or all of the appointees.
5. The Company shall normally not appoint or continue the employment of any person as Whole Time Director, KMP or Senior Management Personnel who has attained the superannuation age as per the policy of the Company.
6. The Committee shall make recommendations to the Board concerning any matters relating to the continuation in office of any director at any time including the suspension or termination of service of a director subject to the provisions of law and the respective service contract.

7. The Committee shall recommend any necessary changes in the Policy to the Board, from time to time.
8. The Company should ensure that the person so appointed as Director/ Independent Director, KMP, Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made there under, Listing Agreement or any other enactment for the time being in force.
9. The Director/ Independent Director/Senior Management Personnel/KMP shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, Listing Agreement or any other enactment for the time being in force.
10. The company shall familiarize the independent directors with the company, including their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programs.

Tenure & Terms

- a) **Managing Director/Whole-time Director:** The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive 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, 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. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.
 - 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

- c) Senior Management Personnel/KMP: The Term/Tenure of the Senior Management Personnel/KMP shall be as per the Company's prevailing policy.

Familiarization Programme for Independent Directors

As required by the provisions of Schedule IV to the Act and the provisions of Clause 49, the Company is required to develop a Familiarisation Programme for the Independent Directors of the Company.

The Company will impart Familiarisation Programmes for new Independent Directors inducted on the Board of the Company.

The Familiarisation Programme of the Company will provide information relating to the Company, business model of the Company, geographies in which Company operates, etc. The programme also intends to improve awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarisation Programme should also provide information relating to the financial performance of the Company and budget and control process of the Company. The Whole Time Director or such other authorised officer(s) of the Company shall lead the Familiarisation Programme on aspects relating to business / industry. The Chief Financial Officer or such other authorised officer(s) of the Company may participate in the programme for providing inputs on financial performance of the Company and budget, control process, etc.

Separate Meeting of Independent Directors

As required by the provisions of Schedule IV to the Act and the provisions of Clause 49, the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-independent Directors and members of the management.

The meeting shall:

- (a) review the performance of Non-independent Directors and the Board as a whole;
- (b) review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-executive Directors;
- (c) assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

This meeting could be held prior or after the Board Meeting. The Independent Directors are free to call such meeting at any point of time, as desired.

Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval as per Company's Policy.

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.

Retirement

The Director, 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.

Remuneration

- a) Remuneration to Managing/Whole-time / Executive / Managing Director, KMP 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.
- b) Remuneration to Non- Executive / Independent Director: The Non-Executive Independent Director may receive remuneration / compensation / commission as per the provisions of Companies Act, 2013. The amount of sitting fees, if any, 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.
- c) Senior Management Personnel / KMPs: The Remuneration to be paid to Senior Management Personnel / KMPs shall be based on the remuneration policy of the Company and the experience, qualification and expertise of the related personnel and shall be decided by the Board of the

Company as per the internal process in consonance with the limits, if any, prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

- d) Other Employees** The power to decide structure of remuneration for other employees has been designed in the Remuneration policy and implementation of the same is to be ensured by Board of the Company or any other personnel that the Board may deem fit to delegate.

Duties in Relation to Nomination and Appointment matters

The duties of the Committee in relation to nomination matters include:

1. Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
2. Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
3. Identifying and recommending Directors who are to be put forward for retirement by rotation
4. Determining the appropriate size, diversity and composition of the Board;
5. Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
6. Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
7. Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
8. Delegating any of its powers to one or more of its members or the Secretary of the Committee;
9. Recommend any necessary changes to the Board; and
10. Considering any other matters, as may be requested by the Board.

Duties in relation to Remuneration Matters:

The duties of the Committee in relation to remuneration matters include:

1. Considering and determining the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate

members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.

2. Approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay, if any, reflecting short and long term performance objectives appropriate to the working of the Company.
3. Delegating any of its powers to one or more of its members or the Secretary of the Committee. Considering any other matters as may be requested by the Board.

DISCLOSURE

This Nomination & Remuneration policy shall be disclosed in the Board's report as required under the Companies Act, 2013 and in the Listing Agreement.

REVIEWS AND AMENDMENTS

The Committee subject to the approval of the Board or the Board shall review the policy and may amend this policy from time to time. Any or all provisions of this policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

Part D- PLANS FOR ORDERLY SUCCESSION

INTRODUCTION

According to Clause 49(11)(0)(6), the Board of every listed company shall satisfy itself that plans are in place for orderly succession for appointments to the Board and to senior management. The term "senior management" would generally means all members of the management one level below the executive director.

DEFINITIONS

1. 'Act' shall mean The Companies Act, 2013;

2. **“Company”** or **“SSSMIL”** shall mean Standard Shoe Sole and Mould India Limited
3. **“Director”** or **“Board”** in relation to the Company, shall mean and deemed to include the collective body of the Board of Directors of the Company including the Chairman of the Company.
4. **“Independent Director”** shall mean an Independent Director as defined under section 2 (47) to be read with section 149 (6) of the Act and Listing Agreement with Stock Exchange.
5. **“Plan”** shall mean the Plan for Orderly succession of the Company
6. **“Committee”** shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of Companies Act, 2013.
7. **“Key Managerial Personnel”** or KMP means key managerial personnel as defined under the Companies Act, 2013 & includes:- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director; ii. Company Secretary; and iii. Chief Financial Officer iv. Such other officer as may be prescribed
8. **‘Senior Management Personnel’** means personnel of the company who are members of its core management team excluding Board of Directors, and comprises of all members of management who are in the grade that is one level below the WTD

OBJECTIVE

The objective of this policy is to make a plan for orderly succession for appointment to the Board and to the Senior Management.

PROCESS

- (a) Board Level Appointment: The Nomination and Remuneration Committee of the Company shall identify the suitable person from among the existing top management or from the outside to fill up the vacancy at the Board level. The appointment of the person at the Board level shall be in accordance with the applicable provisions of the Companies Act, 2013 read with terms of Corporate Governance as may be amended from time to time.
- (b) Sr. Management Level Appointment: The vacancy at Senior Management shall be filled up by the Board in line with the internal policy adopted by the management, keeping in view the organisation's mission, vision, values, goals and objectives.

REVIEW AND AMENDMENTS

Standard Shoe Sole and Mould India Limited Policy for Board

The Committee or Board shall review the succession policy periodically and if required, mayl make suitable changes in the policy keeping in view to the regulatory changes due to business environment.

The Committee subject to the approval of the Board or the Board shall review the policy and may amend this policy from time to time. Any or all provisions of this policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.