



S.P.APPARELS LIMITED

CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

[Clause 49(IV)(E)(iii)]

Independent Directors ("ID") and Non-Independent Non- Executive Directors ("NED") of the Company play an important role as a part of the Board. They bring in external and wider perspective to the decision making by the board and provide leadership and strategic guidance, while maintaining objective judgment. They also help the Company in ensuring that all legal requirements and Corporate Governance are well taken care of.

The responsibilities and obligations imposed on the Non-Executive Independent Directors have increased manifold in the recent years on account of a number of factors, including the growth in the activities of the Company and the rapid evolution arising out of legal and regulatory provisions and requirements.

Independent Directors ("ID") and Non-Independent Non- Executive Directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits. Quantum of sitting fees may be subject to review on a periodic basis, as required.

Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.

In addition to the sitting fees and commission, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his/her role as a Director of the Company. This could include reasonable expenditure incurred by the Director for attending Board/Board committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/ management, site visits, induction and training (organised by the Company for Directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.