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| --- |
| BSE Code: 500114 | NSE Code: TITAN | ISIN: INE280A01028 |
| Sector: Diamond, Gems and Jewellery | Meeting Type: Annual General Meeting |
| e-Voting Platform: [NSDL](https://www.evoting.nsdl.com/) |
| e-Voting Period: From 28th July, 2015 to 30th July, 2015 |
| Meeting Date: 31st July, 2015 at 3:00 PM |
| Meeting Venue: 3, SIPCOT Industrial Complex, Hosur 635 126, Tamilnadu |
| Notice: [Click here](http://corporates.bseindia.com/xml-data/corpfiling/AttachHis/7C285625_7EB7_4E44_9716_E99199997D1A_145104.pdf) | Annual Report: [FY 2014-15](http://www.bseindia.com/bseplus/AnnualReport/500114/5001140315.pdf) |
| Company Email: [investor@titan.co.in/titan@tata.com](mailto:investor@titan.co.in/titan@tata.com) |
| Company Phone: +91 43 4466 4199 | Company Fax: +91 43 4427 6037 |
| Company Registered Office: 3 SIPCOT Industrial Complex , Hosur, Tamil Nadu - 635126 |

Proxy Advisory

Corporate Governance Research

Corporate Governance Scores

Stakeholders’ Education

Proxy Advisory Report

Titan Company Ltd

SES RECOMMENDATIONS

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **TABLE 1 - AGENDA ITEMS AND RECOMMENDATIONS** | | | | | | | |
|  | | | | | | | |
| **S. No.** | **Resolution** | **Type** | **Recommendation** | **Focus** |
|  | Adoption of Statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors f | O |  |  |
|  | Declaration of dividend on equity shares for the financial year 2014-15 | O |  |  |
|  | Re-appointment of Mr. N.N. Tata as a Director, liable to retire by rotation | O |  |  |
|  | Re-appointment of Mr. T.K. Arun as a Director, liable to retie by rotation | O |  |  |
|  | Appointment of Auditors | O |  |  |
|  | Appointment of Branch Auditors | O |  |  |
|  | Ratification of Cost Auditorâs Remuneration | O |  |  |
|  | Commission to Non-Executive Directors | S |  |  |
|  | Appointment of Mr. Harish Bhat as a Director | O |  |  |
| *O - Ordinary Resolution; S - Special Resolution* | | | | |
| RESEARCH ANALYST: | | | | |

***#Focus Terminology***

***C - Compliance:*** *The Company has not met statutory compliance requirements*

***F - Fairness:*** *The Company has proposed steps which may lead to undue advantage of a particular class of shareholders and can have adverse impact on non-controlling shareholders including minority shareholders*

***G - Governance:*** *SES questions the governance practices of the Company. The Company may have complied with the statutory requirements in letter. However, SES finds governance issues as per its standards.*

***T - Disclosures & Transparency:*** *The Company has not made adequate disclosures necessary for shareholders to make an informed decision. The Company has intentionally or unintentionally kept the shareholders in dark.*

COMPANY BACKGROUND

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| TABLE 2 - MARKET DATA (*As on []*) | | | | | | | |
| Price (`) | 351.00 | M Cap (` Cr.) | 31,161.80 | Shares\* | 88,77,86,160 | PE Ratio" | 37.86 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| *Standalone Data ; Source: Capitaline* | | | |  | \* As on [date] | "Based on EPS for FY [] | |
| TABLE 3: FINANCIAL INDICATORS (STANDALONE) | | | |  | TABLE 4: PEER COMPARISON (2015) | |
| **(In ` Crores)** | **2015** | **2014** | **2013** |  | **Tribhovandas Bhimji Zaveri Ltd** | **PC Jeweller Ltd** |
| Revenue | 11,903.21 | 10,915.79 | 10,112.67 |  | 1,934.20 | 6,348.52 |
| Other Income | 70.58 | 120.19 | 100.77 |  | 14.51 | 59.19 |
| Total Income | 11,973.79 | 11,035.98 | 10,213.44 |  | 1,948.71 | 6,407.71 |
| PBDT | 1,143.28 | 1,081.52 | 1,060.76 |  | 47.87 | 562.33 |
| Net Profit | 823.07 | 741.14 | 725.18 |  | 26.04 | 378.23 |
| EPS (`) | 9.27 | 8.35 | 8.17 |  | 3.90 | 21.12 |
| Dividend per share (`) | 2.3 | 2.1 | 2.1 |  | 1 | 3.2 |
| Dividend Pay-Out (%) | 28.84 | 29.23 | 29.88 |  | 29.80 | 17.61 |
| OPM (%) | 10.28 | 10.71 | 10.99 |  | 5.07 | 12.34 |
| NPM (%) | 6.91 | 6.79 | 7.17 |  | 1.35 | 5.96 |
| *Dividend pay-out includes Dividend Distribution Tax. Source: Capitaline* | | | |  |  | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| TABLE 5: MAJOR PUBLIC SHAREHOLDERS (MAR' 15) | |  | TABLE 6: MAJOR PROMOTERS (MAR' 15) | |
| Jhunjhunwala Rakesh Radheshyam | 5.66% |  | Tamilnadu Industrial Development Co | 27.88% |
| Matthews Pacific Tiger Fund | 3.09% |  | Tata Sons Ltd | 15.22% |
| Dendana Investments Mauritius Ltd | 2.2% |  | Tata Steel Ltd | 4.37% |
| National Westminster Bank PLC as De | 1.72% |  | Tata Investment Corporation Ltd | 1.94% |
| Jhunjhunwala Rekha Rakesh | 1.67% |  | Tata Chemicals Ltd | 1.56% |
| Copthall Mauritius Investment Ltd | 1.53% |  | Tata Global Beverage Ltd | 1.04% |
|  |  |  | Ewart Investments Ltd | 0.56% |
|  | |  |  | |
| SHAREHOLDING PATTERN (%) (MARCH) | |  | DISCUSSION | |

|  |  |  |
| --- | --- | --- |
|  |  | Discussion |

BOARD OF DIRECTORS

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| TABLE 7 - BOARD PROFILE | | | | | | | | |
| **Director** |  | **Classification** | | **Expertise/Specialization** | **Tenure (Year)** | **[1]Directorship** | **[2]Committee Membership** | **Pay(` Lakh)** |
| **Company** | **SES** |
| Chandrasekarapuram Viswanathan Sankar\* |  | NEDP(R)(N) | NEDP(R) | Administration | 2 | 14(15) | 2(0) | 33.22 |
| Thanjavur Kanakaraj Arun\* | U | NEDP(R)(N) | NEDP(R) | General Management | 3 | 10(10) | 10(1) | 61.33 |
| Noel Naval Tata | U | NEDP(R) | NEDP(R) | Industry Specialist | 12 | 10(12) | 2(1) | 9.35 |
| Harish Ramananda Bhat^ | N | NEDP(R)(N) | NEDP(R) | General Management | 0 | 6(7) | 3(0) | 0 |
| Tirimula Kumara Balaji@ |  | ID | NID | General Management | 29 | 9(14) | 4(1) | 20.8 |
| Chandrathil Gouri Krishnadas Nair@ |  | ID | NID | Research & Developemnt | 13 | 6(9) | 8(4) | 54.38 |
| Vinita Bali |  | ID(W) | ID(W) | General Management | 9 | 3(4) | 1(0) | 38.64 |
| Hema Ravichandar |  | ID(W) | ID(W) | Human Resources | 6 | 2(3) | 2(0) | 39.04 |
| Das Narayandas |  | ID | ID | Academician | 4 | 1(1) | 0(0) | 18.64 |
| Ireena Vittal |  | ID(W) | ID(W) | Consulting | 2 | 7(9) | 7(1) | 46.69 |
| Bhaskar Bhat |  | ED | ED | General Management | 13 | 6(6) | 3(0) | 491.26 |
| *Reference: ED - Executive Director, NED- Non-Executive Director, ID - Independent Director, NID- Non-Independent Director, P- Promoter, W - Woman Director, R- Liable to retire by Rotation, U- Up for Re-appointment, N- New Appointment, MD- Managing Director, C- Chairman, CMD- Chairman and Managing Director*  ***[1]*** *Directorships show Directorships in Public Companies (Total Directorships which include Directorships in both Public and Private Companies)*  ***[2]*** *Committee memberships include committee chairmanships Note: Directorships, committee membership and committee chairmanship includes such positions in Titan Company Ltd* | | | | | | | | |
| \*Mr. C V Sankar and Mr. T K Arun are nominee Directors of TIDCO  ^Mr. Harish Bhat is nominee Director of Tata Sons Ltd.  @ Mr. T. K Balaji and Mr. C G Krishnadas Nair Kulkarni are associated with the Company for more than 10 years. SES as a good governance practice and spirit behind the provisions of Section 149 of the Companies Act, 2013 considers Director associated with the Company for more than 10 years as Non-Independent. Therefore, SES classifies them as a Non-Independent director on a governance basis. | | | | | | | | |
| GRAPH 2 - BOARD PROFILE | | | | | | | | |

|  |  |
| --- | --- |
|  |  |
| As per provisions of Section 149 and 152 of the Companies Act, 2013 Independent Directors shall not be liable to retire by rotation and unless provided by the Articles of the Company at least 2/3rd of the Non-Independent Directors should be liable to retire by rotation.  There are 5 Non- Independent Directors according to the Company out of which 4 Directors are liable to retire by rotation. | As per Clause 49(ii)(A) of the Listing Agreement, the Company should have at least 33% Independent Directors if the Chairman of the Board is a Non-Executive Director and should have at least 50% independent directors if the Board Chairman is a promoter or an executive director.  Mr. T. K Balaji and Mr. C G Krishnadas Nair Kulkarni are associated with the Company for more than 10 years. SES as a good governance practice considers Director associated with the Company for more than 10 years as Non-Independent. Therefore, SES classifies them as a Non-Independent director on a governance basis. Hence, according to SES the board comprises of only 36% Independent Directors. |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| TABLE 8 - BOARD COMMITTEE PERFORMANCE | | | | | | | |
| **Committees** | **#** | **Chairman's Classification** | | **Overall Independence** | | **Number of Meetings** | **Attendance < 75%** |
| **Company** | **SES** | **Company** | **SES** |
| Audit | 5 | ID | NID | 80% | 40% | 4 | Tirimula Kumara Balaji(25%) |
| Stakeholders' Relationship | 3 | ID | NID | 33% | 0% | ND | ND |
| Nomination & Remuneration | 4 | ID | ID | 75% | 25% | 4 | Chandrasekarapuram Viswanathan Sankar(50%),Tirimula Kumara Balaji(50%),Chandrathil Gouri Krishnadas Nair(50%) |
| CSR | 5 | ID | ID | 60% | 60% | ND | ND |
| Risk Management | 5 | ID | NID | 80% | 40% | ND | ND |
| *Reference: ED - Executive Director, NED- Non-Executive Director, ID - Independent Director, NID- Non-Independent Director, P- Promoter, C- Chairman, #- Number of Members* | | | | | | | |
|  | | | | | | | | |

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| --- | --- | --- | --- | --- | --- | --- | --- |
| TABLE 9 - BOARD GOVERNANCE TABLE (AS PER SES) | | | | | | | |
| **Criteria** | **Response** | **Score** | **Maximum** |
| What is the percentage of Independent Directors on the Board? | 36.36% | 0 | 10 |
| How many Independent Directors have tenure greater than 10 years? | 2 | 7 | 10 |
| How many Independent Directors have Shareholdings > ` 1 Cr? | 0 | 5 | 5 |
| Is the Chairman Independent? | No | 0 | 10 |
| Is there a Lead Independent Director? | No | 0 | 10 |
| How many Independent Directors are ex-executive of the Company? | 0 | 10 | 10 |
| Have all directors been elected by the Company's shareholders? | Yes | 10 | 10 |
| Are any directors on the Board related to each other? | No | 10 | 10 |
| How many promoter directors are on the Board? | 4 | 10 | 15 |
| Did Independent Directors meet atleast once without management? | Yes | 10 | 10 |
| **Score** | | **62** | **100** |

REMUNERATION ANALYSIS

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| TABLE 10 - EXECUTIVE DIRECTORS' REMUNERATION | | | | | | | | |
| **In ` Crore** | | **2015** | | **2014** | | **2013** | | **Ratio** |
|  | | **Fixed Pay** | **Total Pay** | **Fixed Pay** | **Total Pay** | **Fixed Pay** | **Total Pay** |  |
| Bhaskar Bhat | NP | 2.88 | 4.91 | 1.87 | 4.47 | 1.59 | 3.89 | 95.20 |
| *Note: Fixed pay includes basic pay, perquisites & allowances. P- Promoter, NP- Non- Promoter, Ratio- Ratio of ED's remuneration to Median Remuneration of Employees, ND- Not Disclosed* | | | | | | | | |
|  | | | | | | | | |
| DISCUSSION - INDEXED TSR vs. EXECUTIVE REMUNERATION | | | | | | | | |

|  |  |
| --- | --- |
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*Note: Indexed TSR (Total Shareholders Return) represents the value of ` 100 invested in the Company at beginning of a 5-year period starting 1st April, 2011. One period return is calculated as (Final Price - Initial Price + Dividend) / Initial Price.*

The remuneration paid to [executive/managing director] of the Company is [reasonable] given the size and performance of the Company. It can be inferred from the graph that the growth in total shareholders' return is more/less than the growth in remuneration of [Mr. (Managing/Executive Director)] as CAGR of his remuneration is []% whereas CAGR - TSR is []%.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| TABLE 11- EXECUTIVE REMUNERATION - PEER COMPARISON | | | | | | | |
|  | **Titan Company Ltd** | **Tribhovandas Bhimji Zaveri Ltd** | **PC Jeweller Ltd** |
| Director Name | Bhaskar Bhat | Shrikant Zaveri | Balram garg |
| Promoter Group | No | Yes | Yes |
| Remuneration (` Crore) (A) | 4.91 | 3.97 | 6.00 |
| Net Profits (` Crore) (B) | 823.07 | 55.05 | 356.13 |
| Rem. Percentage (A/B \* 100) | 0.60% | 7.21% | 1.68% |

DISCLOSURES

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **DISCLOSURE REQUIRED IN DIRECTOR'S REPORT** | | | | |
| The Companies Act, 2013 requires the listed companies to make certain disclosures in Board's Report. The table below shows the status of compliance of such some important requirements, by the Company | | | | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| checked.png | Content of Corporate Social Responsibility Policy in prescribed format (if applicable) |  | checked.png | Statement on performance evaluation of Board, Committees and Directors |
| checked.png | Extract of the Annual Return as per Form No. MGT 9 |  | checked.png | Related Party Transactions as per Form No. AOC.2 |
| checked.png | Company's policy on appointment of directors and criteria for determining qualifications, positive attributes, director’s independence |  | checked.png | Ratio of the remuneration of executive director to the median employees remuneration |
| checked.png | Policy on remuneration of Directors, KMP and other employees |  | checked.png | Secretarial Audit Report |
| checked.png | Statement on declaration by Independent Directors |  | checked.png | Directors’ Responsibility Statement |
| checked.png | Particulars of loans, guarantees or investments |  | checked.png | Details of establishment of Vigil Mechanism |
| checked.png | Statement indicating development and implementation of a risk management policy |  | na.png | Comments on qualifications made by Statutory Auditors/ CS |

*\* Not applicable*

Not Applicable as No qualification is made by the Auditors.

RESOLUTION ANALYSIS

**RESOLUTION []: ADOPTION OF ACCOUNTS**

**SES RECOMMENDATION**

**SES ANALYSIS**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| *Note: Detailed analysis of the accounts is not within the scope of SES' activities. SES accepts the Report of the Directors and the Auditors to be true and fair representation of the company's financial position. The analysis below is aimed at enabling shareholders engage in discussions with the Board/ Management during the AGM.* | | | | | | | |

**AUDIT QUALIFICATIONS**

**AUDITORS' COMMENTS ON STANDALONE ACCOUNTS**

**AUDITORS' COMMENTS ON CONSOLIDATED ACCOUNTS**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Consolidated Entity (all figures in ` Cr.)** | **Total Assets** | **Total Revenue** | **Net Profit** | **Net Cash Flow** |
| Subsidiaries |  |  |  |  |
| Joint Ventures |  |  |  |  |
| Associates | Not Disclosed | Not Disclosed | 0.01 | Not Disclsoed |

**ACCOUNTING POLICIES**

**FINANCIAL INDICATORS**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Mar' 15** | **Mar' 14** | **Shift** | **Company's Discussion** |
| Debtors Turnover | 1 | 2 | -50.00% |  |
| Inventory Turnover | 2 | 2 | 0% | 2 |
| Interest Coverage Ratio | 2 | 2 | 0% | 2 |
| Current Ratio | 2 | 2 | 0% | 2 |
| Debt Equity Ratio | 2 | 2 | 0% | 2 |
| Operating Profit Margin(%) | 10.28 | 10.71 | -4.01% |  |
| Net Profit Margin(%) | 6.91 | 6.79 | 1.77% |  |
| *Source: Company's Annual Reports / Capitaline/ Moneycontrol* | | | | |

SES is of the opinion that board should take note of structural shift (positive and negative both) in various financial parameters which have a bearing on company's future performance and positioning in market place and disclose an analysis of the same to shareholders. SES believes that 25% change either way should be the threshold for triggering analysis and disclosure requirements.

**CONTINGENT LIABILITIES**

|  |  |  |
| --- | --- | --- |
| **(All figures in ` Crore)** | **Mar' 15** | **Mar' 14** |
| Total contingent liabilities | 297.93 | 233.57 |
| Net worth of the Company | 3092.01 | 2523.95 |
| Contingent liabilities as a percentage of net worth | 9.64% | 9.25% |
| *Source: Company's Annual Reports/ Capitaline* | | | | |

**RELATED PARTY TRANSACTIONS**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Outstanding (` Crore)** | **Mar' 15** | **Mar' 14** | **Shift** | **Comments** |
| Loans and Advances |  |  | 0% |  |
| Bad & Doubtful Advances |  |  | 0% |  |
| Receivables | 21.01 | 16.65 | 26.19% |  |
| Payables |  |  | 0% |  |
| Royalty payments |  |  | 0% |  |
| *Source: Company's Annual Reports* | | | | |

**STANDALONE VS CONSOLIDATED ACCOUNTS**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **(In ` Crore)** | **Standalone Accounts** | | | **Consolidated Accounts** | | |
| **Mar' 15** | **Mar' 14** | **Mar' 13** | **Mar' 15** | **Mar' 14** | **Mar' 13** |
| Revenue | 1 | 3 | 3 | 3 | 3 | 3 |
| Net Profit | 3 | 3 | 3 | 3 | 3 | 3 |
| Total Assets | 3 | 3 | 3 | 3 | 3 | 3 |
| Net Worth | 3 | 3 | 3 | 3 | 3 | 3 |

**RESOLUTION []: DECLARATION OF DIVIDEND**

Declaration of dividend on equity shares for the financial year 2014-15

**SES RECOMMENDATION**

No concern was identified. The Company has enough cash to pay the dividend. SES recommedns that shareholders' to vote **FOR** the resolution.

**SES ANALYSIS**

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The Directors have recommended the payment of dividend on equity shares at the rate of 230% (Rs 2.30 per equity share), subject to approval by the shareholders at the Annual General Meeting (AGM). The COmpany has enough cash to pay the dividend.

**RESOLUTION []: APPOINTMENT OF BRANCH AUDITORS**

Appointment of Branch Auditors

*To appoint branch Auditor for branches outside India*

**SES RECOMMENDATION**

No concern has been identified reagrding the appointment of Branch Audiotrs. SES recommends that shareholders vote **FOR** the resolution

**SES ANALYSIS**

**COMPANY'S JUSTIFICATION**

The COmpany has stated that "The Company has branches outside India and may also open / acquire new branches outside India in future. It may be necessary to appoint branch auditors for carrying out the audit of the accounts of such branches."

Thus the Company is seeking approval to appoint branch auditors in consultation with the Company’s Auditors and fix their remuneration.

The Company is seeking appointment of auditors to conduct the audit of accounts of branch offices of the Company situated in countries outside India. Companies Act, 2013 states that in cases where branch office is situated outside India, the accounts of the branch office shall be audited either by the Company’s Auditor or by an accountant or by any other person duly qualified to act as an auditor of the accounts of the branch office in accordance with the laws of that country. No concern has been identified in this regard.

**RESOLUTION []: PAYMENT TO COST AUDITORS**

Ratification of Cost Auditor’s Remuneration

 Payment of remuneration of Rs. 3,00,000/- to M/s PSV & Associates, Cost Accountants

**SES RECOMMENDATION**

No concern has been identified regarding the ratification of remuneration of Rs. 3 lacs to M/s PSV & Assosciates, Cost Accountants. SES recommedns that shareholders' vote **FOR** the resolution.

**SES ANALYSIS**

**COMPANY'S JUSTIFICATION**

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of Messrs. PSV & Accountants, Cost Accountants, to conduct the audit of the cost records of the Company of the Company for the year ending 31st March 2016, amounting to Rs 3.00 lakhs as also the payment of service tax as applicable and re-imbursement of out of pocket expenses incurred by them in connection with the aforesaid audit. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company.   
 This is an enabling resolution for the ratification of remuneration paid to cost Auditors. No concern has been identified regarding the remuneration paid to Messrs. PSV & Assosciates.

**RESOLUTION []: APPOINTMENT OF AUDITORS**

**SES RECOMMENDATION**

**SES ANALYSIS**

**DISCLOSURES**

|  |  |
| --- | --- |
| Name of the auditor up for appointment | Select |
| Auditors' eligibility for appointment |  |
| Auditors' independence certificate |  |

**AUDITORS' INDEPENDENCE**

|  |  |  |  |
| --- | --- | --- | --- |
| **Auditors** | | **Audit Partners** | |
| Deloitte Haskins & Sells | 8 years | V. Srikuma | 4 years |
| Auditor's Network | | Deloitte Touche Tohmatsu | |

Financial interests in or association with the company: []

**AUDITORS' REMUNERATION**

|  |  |
| --- | --- |
|  |  |

**TERM OF APPOINTMENT**

write the analysis on term of appointment.

**RESOLUTION []: PAYMENT OF COMMISSIONS TO NON-EXECUTIVE DIRECTORS**

Approval of Non-Executive Directors Commisson

**SES RECOMMENDATION**

**SES ANALYSIS**

**COMMISSION PAYABLE**

**Remuneration Limits:**

**Commission distribution criteria:**

**Directors' covered under the resolution:**

As per the resolution, the Board (including the NEDs) will have the discretion to determine the amount of commission to be paid for each financial year to each NED within the limit of [1%/3%] of the net profits. Objective criteria for determining the quantum of commission payable to individual NEDs has not been disclosed by the Company. SES is of the opinion that in absence of disclosure on commission distribution criteria, conflict of interest situations may arise. SES is of the opinion that to remove conflict of interest situations and to maintain the independence and objectivity of the independent NEDs, the Company should disclose the objective criteria to be used to distribute commission amongst IDs and place an absolute cap on commission payable to each NED. As a best practice, the Company should not pay any fee other than sitting fee, and profit based commission calculated on pre disclosed performance criteria. Further, SES recommends that the company should take shareholders’ approval of exact commission payable to NEDs.

**DISTRIBUTION OF COMMISSION**

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| --- | --- |
|  |  |