

KALLAM TEXTILES LIMITED

CRITERIA FOR MAKING PAYMENT TO NON EXECUTIVE DIRECTORS

Non Executive and independent Directors will be paid sitting fees for attending meetings of the Board and Board Committees.

No sitting fee is paid to a director who is full time employee of Kalama Textiles Limited.

The Non-Executive directors shall not be eligible for any remuneration / commission, unless specifically approved by the Board of Directors on recommendation of the Nomination and Remuneration Committee and by the shareholders. There are no pecuniary transactions entered by the Non-Executive Directors with the Company.

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 (organized by the Company for Directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a Director.