

Sundaram-Clayton Limited

REGD OFFICE : "JAYALAKSHMI ESTATES", NO. 29, HADDOWS ROAD, CHENNAI 600 006.

To

The members of Sundaram-Clayton Limited

ABSTRACT OF THE TERMS OF RE-APPOINTMENT AND REMUNERATION OF MR VENU SRINIVASAN, AS MANAGING DIRECTOR OF THE COMPANY FURNISHED AS PER SECTION 302 OF THE COMPANIES ACT, 1956

The board of directors of the Company, at its meeting held on 12th February 2014, re-appointed Mr Venu Srinivasan as the managing director of the Company for a further period of five years from 23rd May 2014 to 22nd May 2019, on the following terms, subject to the approval of the shareholders in the next general meeting of the Company:

(i) SALARY : Rs. 1,50,000 per month.

(ii) PERQUISITES

I. Housing

Housing I : The Company will provide furnished accommodation free of rent.

Housing II : In case accommodation is not provided by the Company, the following be provided for the managing director as accommodation :

- a. The expenditure on hiring furnished accommodation for him will be subject to a ceiling of sixty per cent of the salary ; or
- b. He will be entitled to house rent allowance subject to a ceiling of sixty per cent of the salary.

Explanation: The expenditure incurred by the Company on accommodation, will include expenditure on gas, electricity, water and furnishings, all to be valued as per the Income-tax Rules, 1962 or any re-enactment thereof.

II. Medical Reimbursement :

Reimbursement of medical expenses including hospitalization for self and family including premium paid on health for medical insurance.

III. Leave Travel Concession :

Leave travel concession for four weeks in a year for two trips abroad in a year.

IV. Club Fees :

Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

V. Personal accident insurance :

Personal accident insurance for an amount, the annual premium of which does not exceed Rs.5,00,000/-.

- VI. Company's contribution to provident fund, which will not exceed 12% of the salary or such other higher rate as may be notified by the Central Government, from time to time.
- VII. Gratuity as per rules of the Company, not exceeding half a month's salary for each completed year of service.
- VIII. Earned leave:
On full pay and allowances as per rules of the Company, but not exceeding one month's leave for every eleven months of service. Leave accumulated shall be encashable at the end of the tenure.
- IX. Car :
The managing director will be provided with two cars for use on Company's business and use of car for private purposes will be dealt with by the Company, as per the applicable provisions under the Income Tax Rules, 1962 or any re-enactment thereof.
- X. Telephone :
The managing director will be provided with telephone at residence. Personal long distance calls on telephone will be dealt with by the Company, as per the applicable provisions under the Income Tax Rules, 1962 or any re-enactment thereof.
- XI. Reimbursement of all actual expenses, including on entertainment and travelling in the course of the Company's business.
- XII. No sitting fees be paid for attending the meetings of the Board or Committees thereof.
- XIII. Benefits and Amenities:
- (i) Loan and other schemes – Benefits under loan and other schemes in accordance with the practices, rules and regulations in force, in the Company, from time to time; and
 - (ii) Other benefits and amenities – Such other benefits and amenities as may be provided by the Company to other senior management personnel from time to time.

Total remuneration as aforementioned will not exceed 5% of net profits of the Company, every year.

In the event of loss or inadequacy of profits for any financial year, the Board will revise the remuneration payable to the managing director during such financial year, in such manner as agreed to between the Board and him within the limits prescribed in this behalf under Schedule XIII to the Companies Act, 1956 or any re-enactment thereof.

Memorandum of interest

None of the directors or key managerial personnel of the Company is in any way concerned or interested in the said terms of re-appointment and remuneration, except Mr Venu Srinivasan, chairman and managing director, as it relates to his re-appointment and remuneration and Dr Lakshmi Venu, Mr Sudarshan Venu, Mr Gopal Srinivasan and Mr T K Balaji, directors of the Company, being his relatives.

By order of the Board
For Sundaram-Clayton Limited

Place: Chennai
Date: 12th February 2014

R Raja Prakash
Company Secretary