

## **CRITERIA FOR MAKING PAYMENT TO NON-EXECUTIVE DIRECTORS**

With changes in the Corporate Governance norms, the role and responsibilities of Non-Executive Directors (NED) and the degree and quality of their engagement with the Board has undergone a substantial change over a period of time. The NEDs bring in a wider perspective in the deliberations and decision-making of the Board which adds value to the Company. They also play a crucial role in the independent functioning of the Board.

### **Sitting Fee**

NEDs/Independent Directors may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or any other meeting for any other purpose whatsoever as may be decided by the Board. The sitting fees presently payable to the Board of Directors for attending the meetings of the Board and the Committees of the Board (Audit Committee and Nomination and Remuneration Committee) is Rs. 40000/- per meeting. The Board has been empowered to enhance the sitting fees up-to the maximum limit allowed by the Companies Act, 2013 and Rules thereunder.

The NEDs shall receive Sitting fees for attending meetings of the Board or Committees (as mentioned above) thereof or any other meeting as required by Companies Act, 2013, the SEBI (Listing Obligations and Listing Requirements) Regulations, 2015 or other applicable laws.

### **Commission**

Commission is payable to the NEDs within the monetary limit approved by the shareholders of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013 if decided by the Board. Amount of commission would be determined considering the overall performance of the Company, attendance at the meetings of Board / Committees, Membership / Chairmanship of Committees and contribution by respective NEDs.

### **Reimbursement of actual expenses incurred**

NEDs may also be paid/reimbursed such sums either as fixed allowance and /or actual as fair compensation for travel, boarding and lodging and incidental and /or actual out of pocket expenses incurred by such member for attending Board/Committee Meetings.

**Payment to Independent Directors**

An Independent Director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or Committees thereof and profit related commission up to certain percentage of net profits in such proportion, as may be permissible under the applicable law.

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