

Criteria for Making Payment to Non- Executive Directors (NEDs)

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1 INTRODUCTION

As per Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**the Listing Regulations**”), the listed entity shall disseminate criteria for making payments to Non-Executive Directors (“**NEDs**”) on the website of the Company.

In keeping with the above, any fee/remuneration payable to the NEDs of the Company shall abide by the following:

a. SITTING FEES

NEDs may receive remuneration by way of fee for attending meetings of the Board of Directors of the Company (“**Board**”) or any committees thereof (“**Committee(s)**”) or any other meeting as required by the Companies Act, 2013, as amended (“**the Act**”), the Listing Regulations or other applicable laws or for any other purpose whatsoever as may be decided by the Board. Provided that the amount of such fees shall not exceed Rupees one lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

b. REMUNERATION

Section 197 of the Act allows a Company to pay remuneration to its directors on the Board of the Company (“**Director**”) either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other. Further, the Section 197 also states that where the Company has a managing or whole-time Director or manager, then a maximum of 1% of its net profits can be paid as remuneration to its NEDs. In any other case, then a maximum of 3% of net profit can be paid. Thus, the basis of payment to the NEDs is the net profit of the Company.

As per regulation 17 of Listing Regulations, the approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single NED exceeds fifty per cent of the total annual remuneration payable to all NED, giving details of the remuneration thereto.

c. PROFESSIONAL FEES

Section 197 of the Act allows a Company to pay remuneration to its NEDs for services rendered by any such Director if:

- a. The services rendered are of professional nature;
- b. In the opinion of Nomination and Remuneration Committee the Director possesses the requisite qualification for the practice of the profession.

d. 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 NED for attending the Board/Committee meetings or for the Company's work.

The Nomination and Remuneration Committee is entrusted with the role of reviewing the compensation of NEDs.

e. 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 any Committee thereof and profit related commission up to a certain percentage of net profits in such proportion, as may be permissible under the applicable law.

f. STOCK OPTIONS:

As per the Regulation 17 of the Listing Regulations, the shareholders' resolution shall specify the limits for the maximum number of stock options that can be granted to NEDs, in any in financial year and in aggregate.

Provided that an independent Director shall not be entitled to any stock options and may receive remuneration by way of fees and reimbursement of expenses for participation in meetings of the Board and other meetings and profit related commission as may be approved by the members.

2 REVIEW

The Company reserves the right to modify and/or amend this document at any time subject to the applicable provisions the Companies Act, 2013, as amended and the Listing Regulations. The above criteria and Policy are subject to review by the Nomination and Remuneration Committee and the Board of Directors of the Company from time to time.

3 Annexure Z: Revision History

a. Document Approval Information

Document Owner		Legal and Finance	
Author(s) Name & Designation(s)	25th March 2024	Srishti Kaushik Company Secretary & Compliance Officer	Reviewed and approved at the meeting of the Board of Directors held on 25th March 2024
Reviewer(s) Name & Designation(s)	25th March 2024	Karthik Kannappan Vice President	
Approver Name & Designation(s)	25th March 2024	Board of Directors	
Final Reviewer Name & Designation(s)	25th March 2024	Harsha Haridas Business Process Lead	

b. Revision Summary

Ver. No.	Ver. Date	Revised By	Description	Filename
3.0	25 th March 2024	Srishti Kaushik	Section 1 b, remuneration clause explained.	Criteria for Making Payment to Non-Executive Directors V3.0
2.0	25 th January 2024	Srishti Kaushik	Review done. No changes made.	Criteria for Making Payment to Non-Executive Directors V2.0
1.0	9 th December 2022	Srishti Kaushik	This is a base line document	Criteria for Making Payment to Non-Executive Directors V1.0