CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

The provisions of the Companies Act, 2013 read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') lays down provisions relating to payment of remuneration to the Non-Executive Directors.

The Company believes that the remuneration payable to Non-Executive Directors should reflect the size of the Company and complexity of operations and should be consistent with recognized best practices. The overall remuneration payable is and shall always be reasonable to attract, retain and motivate directors to be aligned to the Company and its future growth imperatives. In this regard, the remuneration paid to the independent directors shall be determined keeping in view the industry benchmarks and also based on their membership in various committees of the Board.

The provisions of Listing Regulations provide that the Board of Directors shall recommend in consultation with the Nomination and Remuneration Committee, all fees or compensation payable to non-executive directors, including the independent directors. In this regard, all remuneration payable to non- executive directors, except for sitting fees for attending meetings, shall be approved by the shareholders of the Company in a general meeting. Accordingly, the following criteria has been formulated to act as a referencer for making payment of remuneration to non-executive directors:

1. **Payment of Sitting Fees**

   The Company shall pay a sitting fee to the Non-Executive Directors, including Independent Directors for attending meetings of Board of Directors or any committee thereof as may be approved by the Board, however the same shall not exceed INR 1 lakh per meeting for any director.

2. **Payment of profit linked commission**

   The Board of Directors may approve to provide any commission to the Non-Executive Directors, including Independent Directors as a specified percentage to the net profits but not exceeding 1% of net profits of the Company, except with approval of the shareholders.

3. **Granting of Stock Options**

   The Board of Directors of the Company with the approval of shareholders may allot stock options to the non-executive directors excluding independent directors. However, the Company shall ensure at all times that the options granted through the stock options does not entitle the non-executive director to receive remuneration more than what is permissible as per law.

4. Minimum remuneration in case of inadequacy of profits

In situations where the Company has inadequate profits i.e. either losses or the profits are inadequate to pay the remuneration to the directors, the Company shall pay its non-executive directors including independent directors, such remuneration as is permissible in Section II of Schedule V of the Companies Act, 2013.

5. Refund of excess remuneration paid

If any director draws or receives, directly or indirectly, by way of remuneration any such sum of money in excess of the prescribed limit and without approval of the shareholders, such director shall within a period of two years or such lesser period as permitted by the Company, refund the excess remuneration to the Company.

6. Remuneration in professional capacity

Apart from the aforementioned, the non-executive directors may be paid remuneration for services rendered by them in professional capacity if the nomination and remuneration committee approves of such professional engagement. However, this remuneration shall not form part of the remuneration payable in the capacity of a director and hence the thresholds mentioned in the law shall not be applicable in such cases.

7. Reimbursement of expenses

The Company may 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.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or the Listing Regulations or any other applicable law which makes any of the provisions in this Policy inconsistent with the existing law, then the provisions of the amended law shall prevail over the said criteria.