

Criteria for making payment to Non- Executive Directors

With changes in the corporate governance norms brought by the Companies Act, 2013 as well as Listing Agreement, the Non-Executive Directors (NED) of the Company have a crucial role to play in the independent functioning of the Board. They devote their valuable time in deliberating in the course of the Board and Committee meetings and give their advice to the management of the Company from time to time.

With changes in the Corporate Governance norms, the role of Non-Executive Directors (NED) and the degree and quality of their engagement with the Board and the Company has undergone significant changes over a period of time. This is also accentuated by the Companies Act, 2013 and the recent changes to the Listing Agreement. Further, in order to be consistent with globally accepted governance practices, the Company has ushered in flexibility in respect of payment of remuneration to NEDs.

The following are the criteria of making payments to Non-Executive Directors.

1. Sitting Fee:

NEDs/Independent Directors may receive remuneration by way of sitting fee for attending meetings of the Board and Committee thereof and any other meeting for any other purpose whatsoever as may be decided by the Board. The Board has the flexibility to enhance the sitting fees upto the maximum limit allowed by the Companies Act, 2013 and Rules thereunder.

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

Apart from sitting fees and reimbursement of actual expenses incurred for attending the Board and committee meetings, no other payment is made to any of the non-executive directors. The company has no stock option plans and hence, such instruments do not form part of remuneration payable to NEDs.