

**CRITERIA FOR SELECTION AND MAKING PAYMENT TO  
NON-EXECUTIVE DIRECTORS**

**POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION**

The Nomination and Remuneration (N&R) Committee has adopted a Charter which, inter alia, deals with the manner of selection of Board of Directors and Managing Director and their remuneration. This Policy is accordingly derived from the said Charter.

**I. POLICY**

**A. NON EXECUTIVE DIRECTORS – CRITERIA OF SELECTION**

- a. The Non Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- c. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.
  - i. Qualification, expertise and experience of the Directors in their respective fields;
  - ii. Personal, Professional or business standing;
  - iii. Diversity of the Board.
- e. In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

**THE GUIDING PRINCIPLES FOR PERFORMANCE EVALUATION OF NON-EXECUTIVE DIRECTORS:**

1. Fair and Consistent performance: Increase transparency and ensured consistency in performance;
2. Insight and Engagement: Engagement of the Director in Company operations and level of participation thereon
3. Innovation: Continuously innovations based on insight, analytics and Directors' expertise;
4. Simplicity, Speed and Accuracy: Accuracy in delivering the performance and efficiency in performance
5. Business Results: The reward to the Company and its business results achieved through performance of directors are considered as a performance evaluation criteria for NED.

**REMUNERATION OF NON EXECUTIVE DIRECTORS:**

The Non Executive Independent Directors shall be entitled to receive remuneration by way of sitting fees, and Non Executive Directors shall be entitled to reimbursement of expenses for participation in the Board / Committee meetings as detailed hereunder:

- i. A Non Executive Independent Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, provided however that they can voluntarily agree to payment nil sitting fee for Board and Committee Meetings.
- ii. The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.