



(Formerly known as NTL India Limited)



## **NTL INDIA LIMITED**

### **POLICY ON MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS**



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## **CRITERIA / POLICY OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS**

With changes in the corporate governance norms brought by the Companies Act, 2013 as well as Equity Listing Agreement, 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. The Company is being hugely benefited from the expertise, advice and inputs provided by the NEDs, who devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company from time to time. Levels of remuneration to the NEDs are determined such that they attract, retain and motivate directors of the quality and ability required to run the Company successfully.

As per Regulation 46 (2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Listed entity shall disseminate information pertaining to the criteria of making payments to the Non-Executive Directors on the website of the Company.

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

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

### **a. Sitting Fee:**

Such director(s) may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or any other meeting as required by Companies Act, 2013, Equity Listing Agreement or other applicable law or for any other purpose whatsoever as may be decided by the Board.

### **b. Commission:**

Commission, if any, shall be paid in accordance with Section 197 of the Companies Act, 2013 and other applicable laws, if any, and the rules made thereunder.

### **c. Professional Fees**

Under the Companies Act, 2013, Section 197 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; and
- b) In the opinion of Nomination and Remuneration Committee the Director possesses the requisite qualification for the practice of the profession.

As per the provision of Section 188 of the Companies Act, 2013, the Audit Committee and the Board of Directors of the Company shall approve the Professional fees to be paid to Non-Executive Director(s), and with the approval of the Shareholders wherever required.

### **d. Reimbursement of actual expenses incurred:**

NEDs may also be paid/reimbursed such sums as fair compensation for travel, boarding and



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lodging and incidental and other out of pocket expenses incurred by such member for attending Board/Committee Meetings or for Company's work either as fixed allowance and/or at actuals.

**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 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. Refund of excess remuneration paid:**

If any director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the prescribed limit or without the prior sanction of the Central Government, where it is required, he shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of any sum refundable to it unless permitted by the Central Government.

**g. 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 non-executive directors, excluding independent directors, in any financial year and in aggregate.

**Amendments**

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.

**Effective Date**

Provisions of the regulations under this policy shall be applicable to the Company from the date when the securities of the company are listed on Stock Exchanges.