ROLLATAINERS
EMERGING EVERYDAY
ROLLATAINERS LIMITED
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ROLLATAINERS LIMITED

CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

The Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 have enhanced the corporate governance norms to be complied by all Companies and dynamic business environment have placed more onerous responsibilities on the Non-Executive Directors (NED).

With changes in the corporate governance norms brought by the Companies Act, 2013 as well as Listing Regulations, 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. They 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.

Regulation 46(2)(f) of the Listing Regulations, requires every company to publish its criteria of making payments to NEDs in its annual report. Alternatively, this may be put up on the company's website and reference may be drawn thereto in its annual report. Section 197 of the Act, 2013 and Regulation 17(6) of the Listing Regulations require the prior approval of the shareholders of a company for making payment to its NEDs.

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

- **SITTING FEES**

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, Listing Regulations or other applicable law or for any other purpose whatsoever as may be decided by the Board;

- **COMMISSION:**

Under the Companies Act, 2013, section 197 allows a company to pay remuneration to its NEDs

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 also states that where the company has either a managing director or wholetime director or manager, then a maximum of 1% of its net profits can be paid as remuneration to its NEDs. In case there is no Managing Director or Whole-Time Director or Manager, 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.

The Company is however not obligated to remunerate its NEDs.

- **REIMBURSEMENT OF ACTUAL EXPENSES INCURRED**

On providing the requisite documentary evidence, the Non-Executive Directors would be provided with all reimbursement with respect to participating and travel expenses for attending such board meetings, Committee Meetings and General Meetings as defined under companies Act and SEBI LODR.

- **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/she 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.

- **NO STOCK OPTION 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.

- **AMENDMENTS**

The Company reserves the right to modify and/or amend this document at any time subject to the applicable provisions the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any such amendments shall be updated on the website of the Company on a timely basis.