



KANODIA CEMENT LIMITED

Criteria for making payments to **Non-Executive Directors**

Regd. Office:

D-19, UPSIDC Land Industrial Area, Sikandrabad, Bulandshahr, UP-203205

Corporate Office:

A-21, Sector-16, NOIDA, Gautam Buddha Nagar, UP-201301

Criteria for making payments to Non-Executive directors

- ✓ With changes in the Corporate Governance norms, the role and responsibilities of Independent Directors ("ID") and Non-Independent Non- Executive Directors ("NED") and the degree and quality of their engagement with the Board has undergone a substantial change over a period of time. The Independent Directors ("ID") and Non-Independent Non- Executive Directors ("NED") bring in a wider perspective in the deliberations and decision-making of the Board which adds value to the Company. They also play a crucial role in the Independent functioning of the Board.
- ✓ Overall remuneration should be reflective of the size of the Company, complexity of the sector/industry/company's operations and the company's capacity to pay the remuneration.
- ✓ Independent Directors ("ID") and Non-Independent Non- Executive Directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and/or commission within regulatory limits. Quantum of sitting fees may be subject to review on a periodic basis by the Board, as required.
- ✓ Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the Nomination & Remuneration Committee (NRC) and approved by the Board.
- ✓ Overall remuneration (sitting fees and/or commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives).
- ✓ Overall remuneration practices should be consistent with recognised best practices.



- ✓ The aggregate commission payable to the Independent Directors ("ID") and Non-Independent Non- Executive Directors ("NED") will be recommended by the Nomination & Remuneration Committee (NRC) to the Board based on Company's performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- ✓ The Nomination & Remuneration Committee (NRC) will recommend to the Board, the quantum of commission for each Director based upon the outcome of the evaluation process which is driven by various factor including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by Directors other than in meetings.
- ✓ In addition to the sitting fees and commission, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his/her role as a Director of the Company. This could include reasonable expenditure incurred by the Director for attending Board/Board committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the Company for Directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director
