# CHL LIMITED

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

This Policy is in supersession of the earlier one.

Every Listed Company, pursuant to the provisions of Schedule V of the Companies Act, 2013 read with Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (hereinafter referred as “SEBI Listing Regulations”), requires to have its criteria of making payments to Non- Executive Directors. As per Regulation 46 (2) of Listing Regulations, this may be put up on the Company’s website and reference may be drawn thereto in its annual report.

Section 197 of the Companies Act, 2013, (hereinafter referred to as “the Act”) and Regulation 17(6) (a) of Listing Regulations require the Board of Directors shall recommend all fees or compensation, if any, with prior approval of the shareholders of a Company for making payment to its Non-Executive Directors (hereinafter referred as “NEDs”).

However, the requirement of obtaining prior approval of shareholders in general meeting shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under Companies Act, 2013 for payment of sitting fees without approval of the Central Government.

Accordingly, the following criteria is laid down for CHL Limited (hereinafter referred as “the Company”).

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

**Remuneration to Non- Executive / Independent Director:**

1. **Sitting Fees:**

   For the purpose to this clause of the Policy of criteria for making payments to Non-Executive Directors, the Non-Executive Directors (NEDs) (which expression includes Independent Directors) may receive remuneration by way of sitting fees for attending meetings of Board and/or Committee thereof.

2. **Criteria for fee:**

   Within the parameters prescribed by the Companies Act, the quantum of sitting fees will be recommended by the Nomination and Remuneration Committee (“NRC”) and approved by the Board of Directors of the Company. Overall remuneration should be reasonable and commensurate with the responsibilities, time spent in Board and Committee meetings by the NEDs.

3. **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 any:

   a. The services rendered are of Professional nature;
   b. In the opinion of the Board and Nomination and Remuneration Committee, the Director

possess the requisite qualification, if any for the practice of the profession.

As per the provisions of Section 188 of the Companies Act, 2013, the Audit Committee and the Board of Directors of the Company shall approve the Professional fees for rendering of services by the Director in his professional capacity, being the related party transaction, to be paid to Non- Executive Director(s), and with the approval of the Shareholders, if in excess of the limits prescribed under Companies Act, 2013.

**4. Reimbursement of actual expenses incurred for attending the Meetings:**

The Non-Executive Directors are also entitled for reimbursement of expenses incurred for attending the Shareholders meetings, Board Meetings and Committee meetings thereof, induction and training (organized by the Company for Directors).

**5. In case of 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, in any in financial year and in aggregate.

Provided that an Independent Director shall not be entitled to any stock options and may receive remuneration by way of fees and reimbursement of expenses for participation in meetings of the Board and other meetings as may be approved by the members.

Any change in the Policy shall be approved by the Board of the Company. The Board shall have the right to withdraw and/ or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.
In case any provisions of the Policy are contrary to or inconsistent with the provisions of the Companies Act, 2013, rules framed thereunder and Listing Regulations ("Statutory Provisions"), the provisions of Statutory Provisions shall prevail.

Any matter or thing which is/are not prescribed here or in case of any discrepancy between this Policy, the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 or any rule or regulations made thereunder or under any other applicable statutory enactment of law, the enacted law/ rule/ regulation/ provision shall prevail over this Policy. Any subsequent amendment/ modification in the SEBI (LODR) Regulations 2015, Act and/ or applicable law in this regard shall also apply to this Policy.