

# Mefcom Capital Markets Ltd.

5<sup>th</sup> Floor, Sanchi Building, 77, Nehru Place, New Delhi-110 019.  
Phone: +91(11) 46500500 Fax: +91(11) 4650 0550  
e-mail : info@mefcom.in website: www. mefcom.in  
CIN : L74899DL1985PLC019749

## **CRITERIA FOR MAKING PAYMENT TO NON-EXECUTIVE DIRECTORS**

With changes in the Corporate Governance norms, 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. Corporate governance norms brought by the Companies Act, 2013 as well as Listing Regulations, the Non-Executive Directors (NED) of the Company have a crucial role to play in the independent functioning of the Board. They devote their valuable time in deliberating in the course of the Board and Committee meetings and give their advice to the management of the Company from time to time.

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). Quantum of sitting fees may be subject to review on a periodic basis, as required.

Within the parameters prescribed by law, the payment of sitting fees will be recommended by the Nomination, Remuneration & Compensation Committee and approved by the Board.

Overall remuneration (sitting fees) 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 recognized best practices.

The Nomination, Remuneration & Compensation Committee will recommend to the Board, the quantum of remuneration to each Director based upon the outcome of the evaluation process which is driven by various factors 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, 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.

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