

SANDHAR

**SANDHAR TECHNOLOGIES LTD.
POLICY ON CRITERIA OF MAKING
PAYMENT TO NON-EXECUTIVE
DIRECTORS OF THE COMPANY**

BACKGROUND

Sandhar Technologies Ltd.{including its subsidiaries}(hereinafter referred as the 'Company') believes in the conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour and in complete compliance of laws.

PAYMENTS & CRITERIA

At present there are total 10 Directors in the Board of the Company {Board} out of which there are 8 (Eight) Non-Executive Directors and the remaining 2 (Two) are Executive Directors. Of the 8 Non-Executive Directors, 5 are Independent Non-Executive Directors, 1 woman as a Non-Executive, Non-Independent Director and 2 Non-Executive, and Non-Independent Director.

AUTHORITY FOR POLICY ON MAKING PAYMENT TO NON-EXECUTIVE DIRECTORS

The Nomination and Remuneration Committee of the Company shall recommend to the Board of Directors for appropriate decision/s based on the criteria laid down herein.

Sitting fees

The Company, at present, pays a Sitting Fees of Rs.50, 000/- to Non-Executive Independent Directors for their attending each meeting of the Board which was approved in the Board of Directors Meeting held on 09th November, 2015. The Company pays a Sitting Fees of Rs. 35,000/- per Sitting to the Non-Executive Independent Directors who are members of the Board's Committees and this was approved in the Board of Directors' meeting held on 11th February, 2016. No Sitting Fees are paid to the nominee non-Executive Directors who are members of the Board in Subsidiaries and Joint Ventures. The amount is subject to revision from time to time.

The Sitting Fees are paid as per Article 87 of the Articles of Association of the Company and in pursuance of sections 198, 309 and 310 of the erstwhile Companies Act, 1956.

At present section 197 and other applicable provisions of the Companies Act 2013 and its Rules apply. {Companies [Appointment and Remuneration of Managerial Personnel] Rules 2014}.

Reimbursement

In addition to the above, the non-Executive Independent Directors may be paid in accordance with Company's rules to be made by the Board, all travelling, hotel and other expenses properly incurred by them (a) in attending and returning from meetings or adjourned meeting of the Board of Directors or any committee thereof ; or (b) in connection with the business of the Company on "actual expenses incurred" basis. The amount is subject to revision from time to time.

Commission

In view of increased roles and responsibilities in the context of expanding business of the Company and valuable contribution made by the Non Executive Directors by devoting extra time and efforts, the Board and shareholders have approved in the year 2013 payment of commission aggregate not exceeding one percent {1%} of the net profits of the Company for each financial year calculated on its standalone audited results, payable annually, for a period of five years commencing from 1st April 2013 and that such commission be divided among the Non-Whole Time Executive Directors of the Company in a manner to be decided by the Board of Directors from time to time, in compliance with sections 198, 309 & 310 and other applicable provisions of the Companies Act 1956. Such limits are currently determined at Rs.1, 25,000/- (Rupees One Lac Twenty Five Thousand only).

At present sections 197, 198 and other applicable provisions of Companies Act 2013 and its Rules apply.

Compliance

The aforesaid are subject to revision/s and further compliances as per applicable law/s prevailing from time to time including Section 149 & Schedule IV of the Companies Act 2013 & Companies [Appointment and Qualification of Directors] Rules 2014.

No other payments

No other remuneration is paid/payable to the non-Executive Independent Directors, at present.

Criteria for fixing the remuneration

The following are the overall criteria kept in view for fixing the remuneration, being applied uniformly, for all the non-Executive Independent Directors: -

- Experience and qualification;

- Skills and knowledge of the automotive/ allied Industry,
- Expertise;
- Responsibilities and duties;
- Time& efforts devoted;
- Value addition;
- Profitability of the Company&growth of its business;
- Provisions of law with regard making payment of remuneration to non-Executive Directors including independent directors.

All the non-Executive Directors are eminent personalities, qualified and vastly experienced.