

POLO QUEEN INDUSTRIAL AND FINTECH LIMITED

(Effective from June 24, 2021)

CRITERIA FOR MAKING PAYMENT TO NON-EXECUTIVE DIRECTOR

With changes in the Corporate Governance norms, the role and responsibilities of 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 Non-Executive Directors 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. Following are the criteria for making payments to Non –executive Directors of the Company:

As per Regulation 46 (2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 Listed entity shall disseminate following information on the website of the Company:

Criteria of making payments to non-executive directors.

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

• SITTING FEE:

The Non-Executive Director(s) shall receive Sitting fees for attending meetings of the Board or Committee there of or any other meeting as required by Companies Act, 2013, SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (Listing Regulations) or other applicable law.

• 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 managing director or whole-time 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.

• REFUND OF EXCESS REMUNERATION PAID:

If any such Director draws or receives, directly or indirectly, by way of fee/remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, such remuneration shall be refunded 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.



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• REIMBURSEMENT OF ACTUAL EXPENSES INCURRED:

NEDs may also be paid / reimbursed such sums incurred as actual for travel, incidental and / or actual out of pocket expenses incurred by such Director / Member for attending Board / Committee Meetings.

The Nomination and Remuneration Committee is entrusted with the role of reviewing the compensation of NEDs.

• PAYMENT TO INDEPENDENT DIRECTORS:

An Independent Director shall not be entitled to any stock option and shall receive Sitting fees for attending meetings of the Board or Committee thereof or any other meeting as required by Companies Act, 2013, SEBI (Listing Obligation Disclosure Requirement) Regulation 2015 or other applicable law as amended from time to time. Further they may also be paid / reimbursed such sums incurred as actuals for travel, incidental and / or actual out of pocket expenses incurred by such Director / Member for attending Board / Committee Meetings.

The above criteria and policy are subject to review by the Nomination & Remuneration Committee and the Board of Directors of the Company from time to time.

