

CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

Regulatory Provisions:

Schedule V read with Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (hereinafter referred as “Listing Regulations”), requires every Company to publish its criteria of making payments to Non- Executive Directors (hereinafter referred as “NEDs”) in its annual report. Alternatively, 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.

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

- Contribution during the Board & Committee Meetings held during the year.
- Active Participation in strategic decision making.
- Responsibilities undertaken such as Membership and /or Chairmanship of Committees
- Time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act and the SEBI (LODR) Regulations, 2015 as Amended
- Such other factors / criteria as may be considered necessary or desirable for determining the compensation

Heads under which payment can be made to Non- Executive / Independent Director:

Any fee/remuneration payable to the Non- Executive Directors of the Company shall be in following manner.

1. Sitting Fees:

The NEDs (which expression includes Independent Directors) may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

2. Remuneration and Commission:

Section 197 of the Companies Act, 2013 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.

In addition to Sitting Fee, and/or Commission and subject to the provisions of the Act, SEBI Regulations and other applicable law, the Non-Executive Directors may also be paid remuneration of such amount as may be decided by the Board of Directors of the Company from time to time, depending on the extra time and effort as may be devoted and contribution as may be made by the Non-Executive Directors and which payment shall be made after obtaining the requisite approval of the Shareholders of the Company to the extent necessary.

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:

- a. The services rendered are of Professional nature;
- b. In the opinion of Nomination and Remuneration Committee the Director possess the requisite qualification 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 to be paid to Non-Executive Director(s), and with the approval of the Shareholders wherever required.

4. Reimbursement of actual expenses incurred:

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 (organised by the Company for Directors).

5. Refund of excess remuneration paid:

If any Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the prescribed limit or without approval required under Section 197, he shall refund such sums to the Company, within two years or such lesser period as may be allowed by 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 unless approved by the Company by Special Resolution within two years from the date the sum becomes refundable.

Amendments

The Company reserves the right to modify and/or amend this document at any time subject to the applicable provisions the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further any subsequent amendment / modification of the provisions of the Companies Act and the Rules framed thereunder and / or the SEBI (LODR) Regulations, 2015 relating to the Remuneration payable to the Non- Executive Director(s) the same shall automatically apply and is deemed to have been amended to that extent.