



THERMAX LIMITED

CRITERIA FOR PAYMENT OF REMUNERATION TO THE NON-EXECUTIVE DIRECTORS

Criteria for payment of remuneration to the Non-Executive Directors

In recognition of the contribution by the non-executive directors, especially in adherence to the corporate governance policies & practices, the Board had adopted guidelines based on the then regulatory provisions, to remunerate the directors by way of commission.

The Nomination & Remuneration Committee (NRC) of the Board has framed a policy on selection and appointment of directors and their remuneration. Based on the recommendation of the NRC, the Board has approved the policy. The remuneration of directors is based on this policy which broadly consists of:

1. Criteria for selection and appointment of directors and their remuneration
2. Criteria for selection of Managing Director & CEO and remuneration
3. Remuneration policy for the senior management
4. Method of performance evaluation

As per the policy, the non-executive directors, apart from receiving sitting fees for attending board/committee meetings, will be entitled to receive a commission on the net profits of the company.

The NRC may recommend payment of commission on uniform basis or may recommend higher commission to directors who are the chairman of the Board or other committees, taking into consideration the higher responsibilities shouldered by them.

Furthermore, as per the policy, the NRC while determining the quantum of commission may consider membership of the directors on the committees and their attendance at various meetings.

Based on the above and on the recommendation of the NRC, the Board has approved payment of remuneration of directors.

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