

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

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

Section 197 of the Companies Act, 2013 and Regulation 17(6)(a) of Listing Regulations require the prior approval of the shareholders of a Company for making payment to its Non-Executive Directors.

However, the requirement of obtaining prior approval of shareholders in general meeting shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under Companies Act, 2013 for payment of sitting fees without approval of the Central Government. Accordingly, the following criteria is laid down for Real Touch Finance Private Limited (hereinafter referred as "the Company" or "Real Touch Finance").

In keeping with the above, any fee/remuneration payable to the Non-Executive Directors of the Company shall abide by the following:

#### **Remuneration to Non-Executive Directors or Independent Directors:**

##### **Sitting Fees**

The Non-Executive Directors including Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof.

##### **Criteria for fee and commission**

Within the parameters prescribed by the Companies Act, the quantum of sitting fees and commission will be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company. Overall remuneration (sitting fees and commission) should be reasonable and commensurate with the responsibilities; time spent in Board and Committee meetings by the Non-Executive Directors. The aggregate commission payable to all the Non-Executive Directors will be recommended by the Nomination and Remuneration Committee to the Board based on Company's performance, profits, return to investors, shareholder value creation and such other qualitative parameters.

The Non-Executive Directors may also be entitled to profit related commission in addition to the sitting fees, as may be decide by the shareholders of the Company from time to time bases on the profit of the Company in each financial year.

##### **Professional Fees**

Under the Companies Act, 2013, Section 197 allows a Company to pay remuneration to its Non-Executive Directors 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.

**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).

**Refund of excess remuneration paid**

In case 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/she 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. 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.

**Stock Options**

As per the Regulation 17 of the Listing Regulations, the shareholders' resolution shall specify the limits for the maximum number of stock options that can be granted to Non-Executive Directors, in any financial year and in aggregate.

Provided that an Independent Director shall not be entitled to any stock options and may receive remuneration by way of fees and reimbursement of expenses for participation in meetings of the Board and other meetings and profit related commission as may be approved by the members.

**Amendments**

The Company reserves the right to modify 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.

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