

MANGAL COMPUSOLUTION LIMITED

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**POLICY ON REMUNERATION OF
NON-EXECUTIVE DIRECTORS**

MAN GAL
Compusolution Ltd.

INTRODUCTION

Mangal Compusolution Limited (“the Company”) has formulated this policy document namely “Policy on Remuneration of Non- Executive Directors” to deal with the remuneration of the Non-Executive Directors in terms with following provisions:

- The Companies Act, 2013;
- The Companies (Appointment and Qualifications of Directors) Rules, 2014 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (“Companies Rules”);
- The Articles of Association of the Company;
- Guidelines, circulars or notifications issued by RBI (“RBI Guidelines”)
- Regulation 17(6) of SEBI Listing (Obligation and Disclosure Requirements), Regulations, 2015, including the amendments thereof.

OBJECTIVES OF THE POLICY

The objectives of this Policy are as under:

- Establish standards on compensation/ remuneration including fixed and variable, which are in alignment with the applicable rules and regulations and is based on the trends and practices of remuneration prevailing in the industry for such roles.
- Formulation of the criteria for determining the qualification, positive attributes of Non- Executive Directors and recommend to the Board a Policy relating to the remuneration of the Non-Executive Directors.
- Formulate the criteria for evaluation of performance of Non-Executive Directors on the Board and to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Non-Executive Directors of the quality required to run the Company successfully.

REMUNERATION OF NON-EXECUTIVE DIRECTOR

1. As per section 197 of the Companies Act, 2013 provides that the remuneration payable to directors who are neither managing directors nor whole time directors, shall not exceed-
 - One percent of the net profits of the Company, if there is a managing or whole-time director or manager,
 - Three percent of the net profits in any other case.
 - Additional commission, apart from remuneration referred above, may be paid to Non-executive Directors 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.
2. Total remuneration of Non-Executive Directors may include all or any combination of following elements:
 - Fees for attending meeting of the Board of Directors (including through video conferencing means) as

permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and decided at the Meeting of the Board of Directors, and/or;

- The fees for attending meetings by the Non-Executive Directors shall be INR 10000/- for each meeting of the Board and the Committee(s) thereof attended by them and/or;
 - Fees for attending meetings of Committees of the Board (including through video conferencing means) to remunerate the Directors for additional work on Board, Committee as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are decided by the Board of Directors, from time to time.
3. The Commission, if approved by Board, may be paid to the Non-Executive Directors basis the following criteria:
 - Performance of the company during the particular Financial Year on pro-rata basis;
 - Reviewing the Industry practices and bench marks;
 - Timely guidance to the Board on important policy matters of the company;
 - Maintenance of Independence and adherence of Corporate Governance during discussion and proceedings of Board Meetings;
 - Number of Board/Committee meetings attended;
 - Contribution during the meeting.
 4. Any increase in the maximum aggregate remuneration payable beyond permissible limits under the Companies Act, 2013 shall be subject to the approval of the shareholders by way of special resolution passed at the General Meeting.
 5. Non-executive Directors are entitled to be paid all travelling, boarding, lodging and all other incidental expenses that they incur for attending to the company's affairs, including attending and returning from General Meetings of the Company or Meetings of the Board of Directors or Committee of Directors.
 6. The Company has no stock options plans and no payment by way of pension, incentives etc. to its Non-Executives Directors. The Non-Executive Director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or Committee thereof.

DISCLOSURES

The following matters shall be reported to the Nomination and Remuneration Committee:

- Annual remuneration proposed for non-Executive directors.
- Declarations on fit and proper criteria as submitted by the directors or persons to be appointed as directors.
- Annual disclosures to be made in the annual report of the Company.
- Employee benefit plans including deferred benefit plans and retirement plans.

APPOINTMENT OF PRINCIPAL OFFICER

Company has designated, Company Secretary of the Company as “Principal Officer” (PO) who shall be located at the head office and shall be responsible to monitor compliance with this policy and report to the management in case of any conflict.

REVISION OF POLICY

This Policy will be reviewed by the Board on periodic basis to evaluate the same in relation to the Applicable Laws and will be updated accordingly.

The updated policy will be applied mutatis mutandis on all the existing Non-Executive Directors of the Company and will not require specific Board approval.

In case of conflicting provisions between this policy and applicable law, the law shall prevail.

ADOPTION

This Policy Document and any changes made during the annual/mid-term (if any) reviews shall be adopted by the Board of Directors.

These internal guidelines on corporate governance, as approved by the Board of Directors, shall be published on the company's web-site, if any, for the information of various stakeholder.

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