

THE UNITED NILGIRI TEA ESTATES COMPANY LIMITED

CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

Non- Executive Directors' remuneration include payment of fees for attending the meeting of the Board and sub-committees thereof and a commission on the net profits of the company.

Sitting Fees

The Non-Executive Directors, both independent and non-independent are entitled to receive remuneration by way of sitting fees for attending meetings of Board and sub-committees of the Board as may be recommended by the Nomination and Remuneration Committee and approved by the Board within the limits prescribed under the Companies Act, 2013 or the Rules framed thereunder.

The sitting fees payable may be modified from time to time only with the approval of the Board of Directors subject to the provisions of Companies Act, 2013 or the Rules framed thereunder.

Commission

In addition to the sitting fees, the Non-Executive Directors are also entitled to a commission on the net profits of the Company at a fixed amount approved by the shareholders. In determining the amount of commission, the Nomination and Remuneration Committee / Board of Directors may consider various factors as disclosed in the Remuneration Policy.

The overall commission payable to all the Non-Executive Directors shall not exceed the limit of 1% of the net profits of the Company per annum as provided under Section 197 of the Companies Act, 2013.

Commission payable is considered and approved at the Board Meeting in which Annual Financial Statement are approved and payment of the same is made on the approval of the financials by the shareholders at the Annual General Meeting

Reimbursement of Expenses

The expenses incurred by the Board of Directors for the attending the meetings of the Board, meetings of the Committees, General Body Meetings and events of the Company are reimbursed at actuals. Wherever the actual bills are not directly attributed to the expenses for the purpose of attending the meetings/events, the "best fare" practice is adopted to reimburse such expenses.

Stock Options

The Company is not offering any stock option to the Non-Executive Directors of the Company.
