



ALGOQUANT FINTECH LIMITED

CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

The provisions of the Companies Act, 2013 read with Securities and Exchange Board of India ('Listing Obligations and Disclosure Requirements') Regulations, 2015 ('Listing Regulations') lays down provisions relating to payment of remuneration to the Non-Executive Directors.

The Company believes that the remuneration payable to Non-Executive Directors should reflect the size of the Company and complexity of operations and should be consistent with recognized best practices. The overall remuneration payable is and shall always be reasonable to attract, retain and motivate directors to be aligned to the Company and its future growth imperatives. In this regard, the remuneration paid to the independent directors shall be determined keeping in view the industry benchmarks and also based on their membership in various committees of the Board.

The provisions of Listing Regulations provide that the Board of Directors shall recommend in consultation with the Nomination and Remuneration Committee, all fees or compensation payable to non-executive directors, including the independent directors. In this regard, all remuneration payable to non-executive directors, except for sitting fees for attending meetings, shall be approved by the shareholders of the Company in a general meeting. Accordingly, the following criteria has been formulated for making payment of remuneration to non-executive directors:

1. Payment of Sitting Fees

The Non-Executive / Independent Directors may receive sitting fee and such other remuneration as permissible under the provisions of Companies Act, 2013 for attending meetings of Board of Directors or any committee thereof as may be approved by the Board, however the same shall not exceed INR 1 lakh per meeting for any director.

2. Granting of Stock Options

Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share-based payment schemes of the Company. The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share-based payments to be made to Directors (other than Independent Directors)

3. Minimum remuneration in case of inadequacy of profits

In situations where the Company has inadequate profits i.e. either losses or the profits are inadequate to pay the remuneration to the directors, the Company shall pay its non-executive directors including independent directors, such remuneration as is permissible in Section II of Schedule V of the Companies Act, 2013.

4. Refund of excess remuneration paid

If any director draws or receives, directly or indirectly, by way of remuneration any such sum of money in excess of the prescribed limit and without approval of the shareholders, such director shall within a period of two years or such lesser period as permitted by the Company, refund the excess remuneration to the Company.

5. Remuneration in professional capacity

Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration to the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) if the following conditions are satisfied

- i) Services which are rendered by such Director in his/her employment term shall only be the part of pecuniary relationship with the Company.
- ii) In the opinion of the Nomination and Remuneration Committee, the director possesses the requisite qualification for the practice of that profession.

6. Reimbursement of expenses

The Company may paid/reimbursed such sums either as fixed allowance and /or actual as fair compensation for travel, boarding and lodging and incidental and /or actual out of pocket expenses incurred by such member for attending Board/Committee Meetings.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or the Listing Regulations or any other applicable law which makes any of the provisions in this Policy inconsistent with the existing law, then the provisions of the amended law shall prevail over the said criteria.