

For the unionised category the matter is decided based on a 5 years settlement period where the terms are decided based on collective bargaining. In this case the basic premises that governs the boundaries/ guidelines of any agreement is as laid out by the DPE.

In all cases the Board of BL oversees all the above matters in the light of compliance of Government Guidelines and ethical Corporate Governance practices. Balmer Lawrie in fulfilling the statutory requirements has also a fully functional Nomination and Remuneration Committee.

Performance evaluation criteria for Independent Directors on the Board

As per Section 149(6) of the Companies Act, 2013, read with exemption granted to Government Companies vide Notification No, G.S.R. 463(E) dated 5th June, 2015 (as amended vide Notification No. G.S.R. 582(E) dated 13th June, 2017, Notification No, S.O. 802(E) dated 23rd February, 2018 and Notification No. G.S.R. 151(E) dated 2nd March, 2020), an Independent Director is a Director, who in the opinion of the Administrative Ministry is a person of integrity and possesses relevant expertise, experience.

In view of the above, the role of Nomination and Remuneration Committee, in context of Independent Directors is limited as the evaluation criteria and such evaluation of Directors is done by the MOP&NG, being the Administrative Ministry.

Remuneration of Directors

- a) There was no pecuniary relationship or transaction of any Non-Executive Director vis-à-vis the Company except the sitting fees paid to the Independent Directors, which has been detailed in this report and the reimbursement of expenses incurred in connection with attending the Board of Directors and Committee Meetings of the Company.
- b) By virtue of Article 7A of the Articles of Association of the Company, the President of India is entitled to decide the terms and conditions of appointment of the Directors. This, *inter alia*, includes determination of remuneration payable to the Whole-time Directors. Non-Executive Independent Directors are entitled to sitting fees for attending the Board and Committee Meetings. No sitting fee is paid to the Whole-time Directors/Government Nominee Directors for the Meetings of Board of Directors or Committees attended by them.

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