

# **RDB RASAYANS LTD**

## **Criteria of making payments to Non-Executive Directors**

As per the requirements under the SEBI (Listing Obligation Disclosure Requirement) Regulation 2015, requires every company is required to publish the criteria of making payments to Non-Executive Directors (herein referred to as NEDs) in its annual report. This may be put up on the company's website. In accordance with Section 197 of the Companies Act, 2013 and Regulation 17(6)(a) of SEBI (Listing Obligation Disclosure Requirement) Regulation 2015 prior approval of the shareholders of a company is required for making payment to its NEDs.

Accordingly, any fee/remuneration payable to the NEDs of the Company shall be as mentioned below:

### **Sitting Fee:**

NEDs may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or any other meeting as required by Companies Act, 2013, SEBI (Listing Obligation Disclosure Requirement) Regulation 2015 or other applicable law or for any other purpose whatsoever as may be decided by the Board;

### **Commission:**

Section 197 of the Companies Act, 2013, allows a company to pay remuneration to its NEDs either by way of a monthly payment or at a specified percentage of the net profits of the company or partly by one way and partly by the other. Further, the section also states that where the company has either Managing Director or Whole-Time Director or Manager, then a maximum of 1% of its net profits can be paid as remuneration to its NEDs. In case there is no managing director or whole-time director or manager, then a maximum of 3% of net profit can be paid. The payment of sitting fees and commission will be recommended by the Nomination & Remuneration Committee (N&RC) and approved by the Board. However the Company is however not obligated to remunerate its NEDs.

### **Refund of excess remuneration paid:**

If any such director draws or receives, directly or indirectly, by way of fee/remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of any sum refundable to it.

### **Reimbursement of actual expenses incurred:**

NEDs may also be 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.

The Nomination & Remuneration Committee (N&RC) is entrusted with the role of reviewing the compensation of NEDs.

### **Payment to independent directors:**

An independent director shall not be entitled to any stock option and shall receive Sitting fees for attending meetings of the Board or Committee thereof or any other meeting as required by Companies Act, 2013, SEBI (Listing Obligation Disclosure Requirement) Regulation 2015 or other applicable law as amended from time to time. Further they may also be paid / reimbursed such sums incurred as actual for travel, incidental and / or actual out of pocket expenses incurred by such Director / Member for attending Board / Committee Meetings.

The above criteria and policy are subject to review by the Nomination & Remuneration Committee (N&RC) and the Board of Directors of the Company