



## CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

### 1. Purpose

This policy explains how the Company will pay remuneration to its Non-Executive Directors (NEDs), including Independent Directors (IDs), in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 2. General Principles

- The remuneration paid to Non-Executive Directors should be fair and reasonable.
- It should reflect:
  - The size of the Company
  - The nature and complexity of its business
  - The Company's financial position and ability to pay
- The remuneration should be sufficient to attract and retain qualified Directors.
- Payment practices should follow legal requirements and recognized corporate governance standards.

### 3. Types of Payments

Non-Executive Directors and Independent Directors may receive:

#### (a) Sitting Fees

- Sitting fees may be paid for attending:
  - Board meetings
  - Committee meetings
  - Any other meetings required under applicable law
- The amount of sitting fees may be reviewed from time to time.
- The Nomination and Remuneration Committee (NRC) will recommend the fees, and the Board will approve them.

#### (b) Commission / Remuneration

As per Section 197 of the Companies Act, 2013:

- If the Company has a Managing Director, Whole-time Director or Manager:
  - Up to 1% of the net profits of the Company may be paid to all NEDs together.
- If the Company does not have a Managing Director, Whole-time Director or Manager:
- Up to 3% of the net profits may be paid to all NEDs together.



- The Company is not required to pay commission. It may decide based on performance and profitability.

The total commission payable will be:

- Recommended by the NRC
- Approved by the Board
- Based on factors such as:
  - Company performance
  - Profits and shareholder value
  - Attendance and participation in meetings
  - Overall contribution of each Director

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#### 4. Reimbursement of Expenses

In addition to sitting fees and commission, the Company may reimburse Directors for reasonable expenses incurred while performing their duties.

This may include expenses for:

- Attending Board and Committee meetings
- General meetings
- Meetings with management, shareholders or creditors
- Site visits
- Director training or induction programs
- Professional advice taken in connection with their duties

Travel, boarding, lodging and other out-of-pocket expenses may be reimbursed on actual basis or as approved by the Board.

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#### 5. Payment to Independent Directors

Independent Directors:

- Will not receive stock options.
- May receive:
  - Sitting fees
  - Reimbursement of expenses
  - Profit-related commission (within legal limits)



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#### 6. Refund of Excess Remuneration

If any Director receives remuneration beyond the limits prescribed by law or without required approval:

- The excess amount must be refunded to the Company.
- Until refunded, the Director will hold the amount in trust for the Company.
- The Company will not waive recovery of such excess amount unless permitted by law.

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#### 7. Review of Remuneration

The Nomination and Remuneration Committee will review the compensation of Non-Executive Directors from time to time and make recommendations to the Board.

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#### **By Order of the Board**

For Norbexi Industries Limited

Sd/-

Company Secretary & Compliance Officer