

BALAJI AGRO OILS LIMITED

CRITERIA OF MAKING PAYMENTS TO THE NON-EXECUTIVE DIRECTORS

Non-Executive Directors of the Company contribute to the growth of the Company in their own way by way of helping with formulating and overseeing the corporate strategy and providing constructive criticism and a broader view of the external factors affecting the business.

Our Company is certainly being benefited from the expertise, advice and inputs provided by our NEDs. They devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestions and guidance to the management of the Company from time to time.

As per Regulation 46 (2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 listed entity is required to disseminate information on the website of the Company, criteria of making payments to its non-executive directors.

Accordingly, any fee/remuneration payable to the NEDs of the Company shall abide by the following:

1. Sitting Fee:

Directors are eligible to receive remuneration by way of sitting fee for each of the Board Meeting or Committee Meeting they attend to, as per the provisions of the Companies Act, 2013.

2. 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 a 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 remuneration of 3% of net profit can be paid.

3. Professional Fees:

Under the Companies Act, 2013, Section 197 allows a Company to pay remuneration to its NEDs for services rendered by any such Director if:

- a) The services rendered are of Professional nature;
- b) In the opinion of Nomination and Remuneration Committee, the Director possess the requisite qualification for the practice of the profession.

Nomination and Remuneration Committee and the Board of Directors of the Company shall approve the Professional fees to be paid to Non-Executive Directors, and with the approval of the Shareholders where ever required.

4. Reimbursement of actual expenses incurred:

NEDs may also be paid/reimbursed with 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 or for Company's work. The Nomination and Remuneration Committee is entrusted with the role of reviewing the compensation of NEDs.

5. Payment to Independent Directors: An Independent Director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or Committees thereof and profit related commission up to a certain percentage of net profits in such proportion, as may be permissible under the applicable law.