

Oriental Aromatics

CRITERIA FOR MAKING PAYMENT TO NON-EXECUTIVE DIRECTORS

With changes in the Corporate Governance norms, the role and responsibilities of Non-Executive Directors (NED) and the degree and quality of their engagement with the Board has undergone a substantial change over a period of time. The NEDs bring in a wider perspective in the deliberations and decision-making of the Board which adds value to the Company. They also play a crucial role in the independent functioning of the Board.

Sitting Fees

NEDs may receive remuneration by way of fee for attending meetings of the Board or committee thereof either personally or through Video conference or other audio visual means, as may be decided by the Board of Directors or any other meeting as required by Companies Act, 2013, the SEBI (Listing Obligations and Listing Requirements) Regulations, 2015 or other applicable laws.

The sittings fees payable shall be subject to applicable tax deduction at source. The Board has been empowered to enhance the sitting fees upto the maximum limit allowed by the Companies Act, 2013 and Rules thereunder.

Remuneration:

Section 197 of the Companies Act, 2013, allows a Company to pay remuneration (excluding sitting fees) to its NEDs which shall not exceed the following except with the approval of shareholders of the Company by special resolution:

- one per cent. of the net profits of the company, if there is a managing or whole-time director or manager,
- three per cent of the net profits in any other case.

The remuneration shall be paid either by monthly payment or at a specified percentage of net profits of the Company, or partly by one way or partly by other.

As per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the approval of shareholders shall also specify the limits for the maximum number of stock options that may be granted to non-executive directors, in any financial year and in aggregate.

Further, the approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof

Remuneration referred to above, may be paid to Non-Executive Directors as may be decided by the Board of Directors of the Company from time to time, depending on the extra time that may be devoted and contributions made by the Non-Executive Directors to the Company.

Within the parameters prescribed by law, the payment of sitting fees/remuneration shall be recommended by the Nomination and Remuneration Committee (NRC) and approved by the Board of Directors

Reimbursement of actual expenses incurred:

The Company may pay or reimburse such fair and reasonable expenditure, as may have been incurred by while performing role as NED of the Company.

Payment to Independent Directors:

An Independent Director shall not be entitled to any stock option and shall receive Sitting fees and reimbursement of expenses for participation in meetings of the Board or committee thereof as may be permissible under the Companies Act, 2013 and any other applicable law at the discretion of the Board.