

CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS (NEDS) OF KOTHARI FERMENTATION AND BIOCHEM LIMITED ('THE COMPANY')

The Non-Executive Directors plays a crucial role to the independent functioning of the Board of the Company. They provide leadership and strategic guidance, while maintaining objective judgment. The responsibilities and obligations imposed on the NEDs have increased manifold in the recent years on account of a number of factors, including the growth in the activities of the Company and the rapid evolution arising out of legal and regulatory provisions and requirements.

Remuneration to the NEDs:

CRITERIA:

Criteria of making payments to Non-Executive Directors will be decided by the Board on the basis of factors like Contribution during the Meeting, Active Participation in strategic decision making etc.

Sitting fees

Non- Executive Director(s) 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, or other applicable law or for any other purpose whatsoever as may be decided by the Board. The Board has the flexibility to enhance the sitting fees upto the maximum limit allowed by the Companies Act, 2013 and Rules thereunder.

Remuneration and Commission

Under the Companies Act, 2013, Section 197 allows a company to pay remuneration to its Non- Executive Director(s) either by way of a monthly payment or at a specified percentage of the net profits of the company. The Company is however not obligated to remunerate its Non- Executive Director(s). Further, the section 197 of the Act provides that the remuneration payable to directors who are neither managing directors nor whole time directors, shall not exceed- (i) one percent of the net profits of the Company, if there is a managing

or whole time director or manager, (ii) three percent of the net profits in any other case. Additional commission, apart from remuneration referred 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 and effort as may be devoted and contribution as may be made by the Non-Executive Directors.

For Kothari Fermentation and Biochem Limited

Sd/-

Director