

## **ZR2 BIOENERGY LIMITED**

### **CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS**

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Non-Executive Directors of the Company play an essential role as a part of the Board. They bring in external and wider perspective to the deliberations and decision-making by the Board. They devote their valuable time to enhance strategic performance of the Board and its Committee by attending meetings of the Board and its committees. They also help ensuring good Corporate Governance Norms.

The responsibilities and obligations imposed on the Non-Executive Directors 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.

Non-Executive Directors of the Company are entitled to:-

➤ **Sitting Fee:**

Non-Executive Directors shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him/her, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 ('the Act') and other applicable law.

➤ **Remuneration:**

Section 197 & 149 of the Act read with Regulation 17 (6) of Listing Regulations, allows a Company to pay remuneration, compensation or fees (excluding sitting fees) to its Non-Executive Directors either by monthly payment or at a specified percentage of net profits of the Company, or partly by one way or partly by other subject to the prior approval of the shareholders of the Company.

Further, pursuant to Regulation 17 (6) (ca) of the Listing Regulations, approval of shareholders by Special Resolution shall be obtained every financial 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 upon recommendation of the Nomination and Recommendation Committee ('NRC') and receipt of Board's approval subsequently. NRC while recommending the remuneration & Commission shall take into consideration various parameters such as ;

- it should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company and ;

- considering the challenges faced by the Company and its future growth imperatives etc. ;
- Company's performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.

➤ **Reimbursement of actual expenses incurred:**

Non-Executive Directors may also be paid/reimbursed such sums incurred as actuals for travel, incidental and/or actual out of pocket expenses incurred by such Director/Member for attending Board/Committee Meetings.

➤ **Professional Fees :**

Provisions of Section 197 of the Act allows Company to pay remuneration to the Non Executive Directors for the Services rendered by him in a professional capacity. Such rémunération is not governed by the said Section if following criteria has been fulfilled;

- a) the services rendered are of a professional nature; and
- b) in the opinion of the Nomination and Remuneration Committee or the Board, the director possesses the requisite qualification for the practice of the profession.

Section 188 of the Companies Act, 2013 prescribed provisions for obtaining prior approval of the Audit Committee or Members in case of availing services from the 'related party'. If any of any services availed by the Company from its Non-Executive Directors fall under the criteria of Section 188, then compensation payable to them will be approved by the Audit Committee or Members of the Company, if required

➤ **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 and profit related remuneration up to a specified percentage of net profits in such proportion, as may be permissible under the Companies Act, 2013 and any other applicable law at the discretion of the Board.

The Company reserves the right to modify and/or amend this document at any time subject to the applicable provisions of the Act and Listing Regulations.

The Nomination and Remuneration Committee shall review above criteria and recommend appropriate modification, as may be necessary, to the Board of Directors for approval.

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### DOCUMENT HISTORY:

Version	Version Date	Recommended/ Reviewed by	Approved by	Brief Description
1.0	13-08-2025	Nomination and Remuneration Committee	Board of Directors	Re drafted whole policy pursuant to change in the management and Change of Company Name