

**CRITERIA FOR MAKING PAYMENT TO
NON- EXECUTIVE DIRECTORS
OF
SHREEJI TRANSLOGISTICS LIMITED**

With changes in the Corporate Governance norms brought by the Companies Act, 2013 as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the role of Non-Executive Directors (NEDs) and the degree and quality of their engagement with the Board and the Company has undergone significant changes over a period of time. Levels of remuneration to the NEDs are determined such that they attract, retain and motivate Directors to run the Company successfully and efficiently.

As per Regulation 46 (2) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 listed entity shall disseminate Criteria of Making Payments to Non-Executive Directors on the website of the Company:

In keeping with the above, any fee/ remuneration payable to the NEDs of the Company shall as per the following criteria:

➤ **Sitting Fee:**

NEDs may receive remuneration by way of fee for attending meetings of the Board and / or Committee thereof in accordance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 or other applicable law, as may be decided by the Board;

➤ **Remuneration:**

Under the Companies Act, 2013, Section 197 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 Managing Director or Wholetime Director or 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 of 3% of net profit can be paid as remuneration.

Currently the Company is not paying Commission to its NEDs.

➤ **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.

The Audit 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 wherever required.

➤ **Reimbursement of actual expenses incurred:**

In addition to the sitting fees and commission, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his/her role as a Director of the Company. This could include reasonable expenditure incurred by the Director for attending Board/Board committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the Company for Directors).

The Nomination and Remuneration Committee is entrusted with the role of recommending the compensation of NEDs.

➤ **Payment to independent directors:**

An Independent Director shall not be entitled to any stock option and may receive remuneration only by way of fees 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.