

An ISO 9001:2015  
Certified Company

## PARMESHWAR METAL LIMITED

(Formerly Known as PARMESHWAR METAL PRIVATE LIMITED)

Registered Office & Factory: Survey No. 130P & 131, State Highway No. 69, Sampa-Lavad Road,  
Village Sujana Muvada, Post: Sampa, Ta.: Dehgam, Dist.: Gandhinagar, Gujarat, India-382315  
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### POLICY FOR CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

- With changes in the Corporate Governance norms brought by the Companies Act, 2013 as well as the SEBI (Listing Obligation Disclosure Requirement) Regulation 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.
- NEDs are typically individuals who are not involved in the day-to-day operations of the Company but provide independent oversight, strategic guidance, and expertise to the Board of Directors. Payments to Non-Executive Directors are subject to various factors and considerations, often influenced by the Company's structure, industry norms, regulations, and corporate governance practices.
- The NEDs 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, suggestion and guidance to the management of the Company from time to time. Levels of remuneration to the NEDs are determined such that they attract, retain and motivate Directors of the quality and ability required to run the Company successfully.
- Independent Directors ("ID") and Non-Independent Non-Executive Directors ("NED") may be paid sitting fees and commission within regulatory limits prescribed under the Companies Act, 2013. Quantum of sitting fees may be subject to review on a periodic basis, as required.
- The IDs and NEDs shall not be eligible for any remuneration/commission, unless specifically approved by the Board of Directors of the Company (hereinafter referred to as "Board", which term shall include Nomination and Remuneration Committee of the Board) on recommendation of the Nomination and Remuneration Committee ("NRC") and by the shareholders.
- The aggregate commission payable to all the IDs and NEDs will be recommended by the NRC to the Board based on Company's performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- 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 either Managing Director or Whole-Time 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. Thus, the basis of payment to the NEDs is the net profit of the Company. The Company is however not obligated to remunerate its NEDs.
- In addition to the sitting fees, the Company may reimburse the Director(s) the actual 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/Committee meetings, general meetings etc.
- An Independent Director shall not be entitled to any Stock Option.

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PARMESHWAR METAL LTD.

  
MANAGING DIRECTOR