



PRIME FRESH LIMITED

CRITERIA FOR MAKING PAYMENT TO NON- EXECUTIVE DIRECTORS

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 in discussions in the course of the Board and Committee meetings of the Company. 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

Such 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, SEBI (Listing Obligation Disclosure Requirement) Regulation 2015 or other applicable law or for any other purpose whatsoever as may be decided by the Board;

COMMISSION

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 managing or whole-time director or manager. 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 can pay higher percentage based on the turnover and on the basis of Net Profits after

passing of Special Resolution. The Company is however not obligated to remunerate its NEDs.

REIMBURSEMENT OF ACTUAL EXPENSES INCURRED

NEDs may also be paid/reimbursed such sums either as fixed allowance and /or actual as fair compensation for travel, boarding and lodging and incidental and /or actual out of pocket expenses incurred by such member for attending Board/Committee Meetings. The Nomination and Remuneration Committee is entrusted with the role of reviewing 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 and reimbursement of expenses for participation in meetings of the Board or committee thereof and profit related commission up to a certain percentage of net profits in such proportion, as may be permissible under the applicable law.

The above criteria and policy are subject to review by the Nomination & Remuneration Committee and the Board of Directors of the Company.
