

CRITERIA FOR MAKING PAYMENT TO NON-EXECUTIVE DIRECTORS



Epigral Limited

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The Company is having substantial benefit from the expertise, advice and inputs provided by the Non-Executive Directors (hereinafter referred to as "NEDs") of the Company. They 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. Overall remuneration paid to Independent Directors and Non- Independent Non- Executive Directors should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company.

Schedule V read with Regulation 34 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (hereinafter referred as "Listing Regulations"), requires every Company to publish its criteria of making payments to Non- Executive Directors in its annual report. Alternatively, as per Regulation 46 (2) of Listing Regulations, this may be put up on the Company's website and reference may be drawn thereto in its annual report.

Accordingly, the following criteria is laid down for Epigral Limited (hereinafter referred as "the Company").

In keeping with the above, any fee/remuneration payable to the NEDs of the Company shall abide by the following:

Remuneration to Non- Executive/ Independent Director:

1. Sitting Fees:

The NEDs (which expression includes Independent Directors) may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rupees One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

2. Commission:

Section 197 of the Companies Act, 2013 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.

3. 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.

As per the provisions of Section 188 of the Companies Act, 2013, the Audit Committee and the Board of Directors of the Company shall approve the Professional fees to be paid to Non- Executive Director(s), and with the approval of the Shareholders where ever required.

4. 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 or for Company's work.

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

5. Stock Options:

As per the Regulation 17 of the Listing Regulations, the shareholders' resolution shall specify the limits for the maximum number of stock options that can be granted to NED, in any in financial year and in aggregate.

Provided that an Independent Director shall not be entitled to any stock options and may receive remuneration by way of fees and reimbursement of expenses for participation in meetings of the Board and other meetings and profit related commission as may be approved by the members.
