

Criteria for Making Payment to Non- Executive Directors (NEDs)

1. Preamble:

This Remuneration Policy outlines the principles and guidelines for determining the remuneration of Non-Executive Directors (NEDs) and Independent Directors (IDs) of SBC Exports Limited ("the Company"), in accordance with the provisions of the Companies Act, 2013, and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015¹ ("SEBI LODR"). The policy aims to attract, retain, and motivate highly qualified individuals to serve on the Board of Directors, ensuring their independence and alignment with the long-term interests of the Company and its stakeholders.

2. Objective:

The objective of this policy is to:

- Ensure that the remuneration of NEDs/IDs is fair, reasonable, and commensurate with their responsibilities and contributions.
- Maintain transparency and accountability in the remuneration process.
- Attract and retain experienced and qualified individuals to serve on the Board.
- Safeguard the independence of IDs by ensuring that their remuneration is not linked to the Company's performance.
- Comply with all applicable legal and regulatory requirements.

3. Scope:

This policy applies to all Non-Executive Directors, including Independent Directors, of the Company.

4. Remuneration Components:

The remuneration of NEDs/IDs shall consist of the following components:

- **Sitting Fees:**
 - NEDs/IDs shall be paid sitting fees for attending meetings of the Board of Directors and its Committees, as permitted under Section 197 of the Companies Act, 2013.
 - The sitting fees shall be determined based on the complexity and frequency of meetings and shall be reviewed periodically.
 - The sitting fees will be decided by the board of directors, subject to the limits specified in the Companies Act, 2013.
- **Commission (if applicable):**
 - Subject to the provisions of Section 197 of the Companies Act, 2013, the Company may pay a commission to NEDs/IDs.
 - The commission, if any, shall be determined based on the Company's performance and shall be subject to the approval of the shareholders.
 - It is specifically noted that for Independent directors, commission is not tied to the company's performance, as per the SEBI LODR.
- **Reimbursement of Expenses:**
 - NEDs/IDs shall be reimbursed for reasonable expenses incurred in connection with their attendance at Board and Committee meetings, including travel, accommodation, and other related expenses.
- **Other Benefits:**
 - NEDs/IDs shall not be entitled to any stock options or other performance-linked incentives.

- No pensions or retirement benefits are provided to Non-Executive Directors.
- The company may provide Directors and Officers liability insurance.

5. Determination of Remuneration:

- The Nomination and Remuneration Committee ("NRC") shall be responsible for determining and recommending the remuneration of NEDs/IDs to the Board of Directors.
- The NRC shall consider the following factors while determining the remuneration:
 - The experience, qualifications, and expertise of the NEDs/IDs.
 - The responsibilities and contributions of the NEDs/IDs.
 - The prevailing market practices and industry benchmarks.
 - The Company's size, financial performance, and complexity of operations.
 - The requirements of the Companies Act, 2013, and the SEBI LODR.
- The Board of Directors shall approve the remuneration of NEDs/IDs based on the recommendations of the NRC.
- The Remuneration of independent directors shall be reasonable, and sufficient to ensure their independence.

6. Disclosure:

- The Company shall disclose the remuneration of NEDs/IDs in its Annual Report, in accordance with the requirements of the Companies Act, 2013, and the SEBI LODR.
- The Company shall also disclose the remuneration policy on its website.

7. Review and Amendment:

- This policy shall be reviewed periodically by the NRC and the Board of Directors to ensure its effectiveness and compliance with applicable laws and regulations.
- Any amendments to this policy shall be approved by the Board of Directors.

8. Compliance:

- This policy shall be implemented in compliance with the provisions of the Companies Act, 2013, and the SEBI LODR.
- Any deviations from this policy shall be reported to the Board of Directors and disclosed in the Annual Report.