

Paramount Dye Tec Limited

Criteria for Making Payment to Non-Executive Directors

With the introduction of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the role and engagement of Non-Executive Directors (NEDs) has significantly evolved. Paramount Dye Tec Limited benefits from the expertise, advice and independent judgment provided by its NEDs, who contribute meaningfully in Board and Committee deliberations on strategic and critical issues of the Company.

The Company recognizes the importance of attracting and retaining high-quality members on its Board. Accordingly, the Nomination and Remuneration Committee and/or the Board of Directors undertakes a periodic review of the performance of NEDs, at least once in a year, and based on such evaluation, recommends appropriate remuneration within the framework prescribed under applicable law.

Any remuneration payable to the NEDs shall be in compliance with Section 197 of the Companies Act, 2013, read with the relevant rules, and the provisions of SEBI LODR. Such remuneration may include sitting fees for attending meetings of the Board and its Committees, reimbursement of expenses incurred in connection with participation in meetings, and commission based on the net profits of the Company, as may be permissible under law and approved by the shareholders.

It is further clarified that Independent Directors shall not be entitled to any stock options and shall be eligible to receive only sitting fees, reimbursement of expenses, and profit-related commission, in accordance with applicable provisions.

Any sums paid to a Director in excess of the limits prescribed under the Act or without requisite approvals, wherever required, shall be refunded to the Company, and the Company shall not waive recovery of such sums.

In line with Regulation 46 of SEBI LODR, the Company shall make available the criteria for payment to NEDs on its website and draw reference thereto in its Annual Report.