

SENORES PHARMACEUTICALS LIMITED

CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

1. PREFACE

With changes in the Corporate Governance norms brought by the Companies Act, 2013 as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the role of Non-Executive Directors ("NED") and the degree of their engagement with the Board and the Company has undergone significant changes over a period of time. The Non-Executive Directors bring in a wider perspective in the deliberations and decision-making of the Board which adds value to the Company. They also play a crucial role in ensuring independent functioning of the Board. Pursuant to the provisions of Companies Act, 2013 read with Listing Regulations, following are the criteria for making payment to Non-Executive Directors of the Company:

2. CRITERIA

Overall remuneration should be reflective of the size of the Company, complexity of the sector/industry/company's operations and the company's capacity to pay the remuneration.

Independent Directors ("ID") and Non-Independent Non- Executive Directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits. Quantum of sitting fees may be subject to review on a periodic basis, as required.

Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board. Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives).

Overall remuneration practices should be consistent with recognised best practices.

The aggregate commission, if any, payable to all the NEDs and IDs 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.

The NRC will recommend to the Board, the quantum of commission for each Director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee

meetings, individual contributions at the meetings and contributions made by Directors other than in meetings.

In addition to the sitting fees and commission, the Company may also pay to any Director such fair and reasonable 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/Board committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/ management, site visits, induction and training (organised by the Company for Directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.

Further, the NEDs may also be paid fee, as may be approved by the Board of Directors or the Management of the Company, for rendering services in their professional capacity from time to time.
