



CRITERIA OF MAKING PAYMENT TO NON - EXECUTIVE DIRECTORS OF DHANUKA AGRITECH LIMITED

With changes in the Corporate Governance norms, the role and responsibilities of Non-Executive Directors (NED) and the degree and quality of their engagement with the Board has undergone a substantial change 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 the Independent functioning of the Board. Following are the criteria for making payments to Non –executive Directors of the Company:

Sitting Fee:

The Non-executive Director(s) shall receive Sitting fees for attending meetings of the Board or Committee thereof or any other meeting as required by Companies Act, 2013, SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (Listing Regulations) or other applicable law.

Remuneration:

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 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.

The Company is however not obligated to remunerate its NEDs.

Reimbursement of actual expenses incurred:

NEDs may also be paid / reimbursed such sums incurred as actual for travel, incidental and / or actual out of pocket expenses incurred by such Director / Member for attending Board / Committee Meetings.

Payment to Independent Directors:

An Independent Director shall not be entitled to any stock option and may receive sitting fees and reimbursement of expenses for participation in meetings of the Board or Committee thereof.

The Nomination and Remuneration Committee is entrusted with the role of reviewing and if required, to make recommendation to the Board to revise the sitting fees and compensation paid to NEDs.

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