



INSECTICIDES (INDIA) LIMITED

Document Title	Criteria for Making Payments to Non-Executive Directors
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CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

The provisions of the Companies Act, 2013 read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') lays down provisions relating to payment of remuneration to the Non-Executive Directors.

The Company believes that the remuneration payable to Non-Executive Directors should reflect the size of the Company and complexity of operations and should be consistent with recognized best practices.

The overall remuneration payable is and shall always be reasonable to attract, retain and motivate directors to be aligned to the Company and its future growth imperatives.

Contribution of the Non-Executive Directors in Board and Committee Meetings, time devoted by them, participation in strategic decision making, timely guidance to the Board on important policy matters of the Company, performance of the Company and industry practices and benchmarks forms the main criteria for determining payments to Non-Executive Directors.

The provisions of Listing Regulations provide that the Board of Directors shall recommend in consultation with the Nomination and Remuneration Committee, all fees or compensation payable to non-executive directors, including the independent directors.

Accordingly, the following criteria has been formulated to act as a referencer for making payment of remuneration to non-executive directors:

1. Payment of Sitting Fees

The Company shall pay a sitting fee to the Non-Executive Directors, including Independent Directors for attending meetings of Board of Directors or any committee thereof as may be approved by the Board. Provided that the amount of such fees shall be within the overall limit as prescribed by the Central Government from time to time

2. Granting of Stock Options

The Board of Directors of the Company with the approval of shareholders may allot stock options to the non-executive directors excluding independent directors. However, the Company shall ensure at all times that the options granted through the stock options does not entitle the non-executive director to receive remuneration more than what is permissible as per law.

3. Refund of excess remuneration paid

If any director draws or receives, directly or indirectly, by way of remuneration any such sum of money in excess of the prescribed limit and without approval of the shareholders, such director shall within a period of two years or such lesser period as permitted by the Company, refund the excess remuneration to the Company.

4. Remuneration in professional capacity

Apart from the aforementioned, the non-executive directors may be paid remuneration for services rendered by them in professional capacity if the nomination and remuneration committee approves of such professional engagement.

5. Reimbursement of expenses

The Non-Executive Directors are also entitled for reimbursement of expenses incurred for attending the Shareholders meetings, Board Meetings and Committee meetings thereof, plant visit, induction and training (organized by the Company for directors).

In case of any subsequent changes in the provisions of the Companies Act, 2013 or the Listing Regulations or any other applicable law which makes any of the provisions in this Policy inconsistent with the existing law, then the provisions of the amended law shall prevail over the said criteria.

AMENDMENTS

The Company reserves the right to modify and/or amend this document at any time subject to the applicable provisions the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.