

SHREE HARI CHEMICALS EXPORT LIMITED (“SHCEL”)
POLICY ON REMUNERATION OF DIRECTORS,
KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

1. INTRODUCTION

This policy on Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated subject to the provisions of Section 178 of the Companies Act, 2013 and rules made thereunder (the Act) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended from time to time.

2. GUIDING PRINCIPLES

- (i) The terms of employment and remuneration of Managing Directors, Whole-time Directors, Key Managerial Personnel’s and Senior Management shall be competitive in order to ensure that the Company can attract and retain competent talent.
- (ii) The remuneration Policy shall ensure that:
 - (a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors/ Key Managerial Personnel’s and Senior Management of the quality required to run the Company successfully.
 - (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
 - (c) Remuneration to directors, Key Managerial Personnel’s and Senior Management involves a balance between fixed and variable pay reflecting short and long term performance objectives and goals set by the Company.
 - (d) Remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

- (iii) While determining the remuneration and incentives for the Managing Directors / Whole-time Directors and Key Managerial Personnel's, the following shall be considered:
 - (a) pay and employment conditions with peers / elsewhere in the competitive market
 - (b) benchmarking with the industry practices
 - (c) Performance of the individual
 - (d) Company Performance
- (iv) For the benchmarking with Industry practice, criteria of size, complexity, data transparency and geographical area shall also be given due consideration.
- (v) The pay structures shall be appropriately aligned across levels in the Company.

3. REMUNERATION POLICY

- (1) Senior Management & Key Managerial Personnel's (other than Managing Directors / Whole-time Directors):**
 - (i) Remuneration packages shall be designed in such manner that:
 - (a) motivates delivery of key business strategies, creates a strong performance-orientated environment and rewards achievement of the Company's objectives & goals over the short and long-term.
 - (b) attracts high-flier executives in a competitive global market and remunerate executives fairly and responsibly.
 - (ii) Remuneration shall be competitive and shall include salary comprising of both fixed and variable components, performance incentives and other benefits such as retiral benefits, health care insurance and hospitalization benefits, telephone reimbursement etc.
 - (iii) Remuneration shall be evaluated annually and annual increase shall be decided considering the performance of the individual and also of the Company. Industry practices/ trends shall also be given due consideration.

- (iv) Remuneration can be reset at any time considering the benchmark of international and domestic companies, which are similar in size and complexity to the Company. Benchmark information shall be obtained from internationally recognized compensation service consultancies.
- (v) The remuneration to be paid to the Key Managerial Personnel's viz. Chief Executive Officer, Chief Financial Officer, Company Secretary or Senior Management, shall be recommended by the Nomination and Remuneration Committee considering relevant qualification and experience of the individual as well as the prevailing market condition.
- (vi) The Nomination and Remuneration Committee may consider to grant Stock Options to Key Managerial Personnel's & Senior Management pursuant to any Stock Option Plan adopted by the Company, if any.

(2) Managing Directors / Whole-time Directors:

- (i) Remuneration to the Managing Director and Whole-time Directors shall be proposed by the Nomination and Remuneration Committee and subsequently approved by the Board of Directors and the shareholders of the Company, whenever required.
- (ii) Remuneration shall be evaluated annually against performance and a benchmark of international and domestic companies, which are similar in size and complexity. Benchmark information shall be obtained from internationally recognized compensation service consultancies.
- (iii) Total remuneration for the Managing Directors and Whole-time Directors shall be comprised of the following:
 - (a) Salary (both fixed & variable).
 - (b) Perquisites like house rent allowance, domiciliary medical expenses and club memberships etc.
 - (c) Retirals, made in accordance with applicable laws and policies of
 - (d) In addition, they shall also be entitled to a Performance Bonus linked to their individual performance and also the performance of the Company and the individual.

(iv) At the time of appointment or re-appointment and during their tenure, the Executive Directors shall be paid such remuneration as may be recommended by the Committee to the Board for its approval within the overall limits prescribed under the Companies Act, 2013 and rules made thereunder (the Act) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and approved by the shareholders of the Company from time to time.

(3) Non-Executive Directors:

(i) Non-Executive Directors shall be entitled to such sitting fees as may be decided by the Board of Directors from time to time for attending the meeting of the Board and of the Committee thereof.

(ii) The total commission payable to the Directors shall not exceed prescribed limits as specified under Companies Act, 2013 and rules made thereunder (the Act) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and approved by the shareholders of the Company from time to time.

(iii) Independent Directors shall not be eligible for any Stock Options, pursuant to any Stock Option Plan adopted by the Company.

(iv) The Non-Executive Directors shall be eligible for remuneration of such professional services rendered if in the opinion of the Nomination and Remuneration Committee, the Non-Executive Directors possesses the requisite qualification for rendering such professional services.

(v) It shall ensure that the total annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors requires approval of shareholders by special resolution in every financial year.

4. APPLICABILITY

- (i) This Remuneration Policy shall apply to all existing and future employment agreements with KMPs & Senior Management and also with the Directors.
- (ii) In all respects, the Remuneration Policy shall be subject to overall guidance of the Board of Directors. Any departure from the policy shall be approved by the Board.

5. DISCLOSURES

The Company shall disclose the following in the Board's report and the Financial Statements:

- (a) In the Board's Report, such particulars as are prescribed under the Companies Act, 2013 and Rules made thereunder and
- (b) In the Corporate Governance Report, the particulars as prescribed in Schedule V of SEBI (LODR) Regulation 2015.

6. DISSEMINATION

The Company's Remuneration Policy shall be published on its website.