

SHIRDI INDUSTRIES LIMITED

REMUNERATION POLICY

(As approved by the Board of Directors on 02.04.2015)

- The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "Executives").
- The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and other executive level and to ensure their long term sustainability.
- The remuneration policy will ensure that the interests of Board members & senior executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.
- The remuneration policy will ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System.
- The Company shall ensure that remuneration is affordable on a sustainable basis.
- Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.
- In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.
- The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director is appointed by the Board
- Before the selection of KMP or SMP, the recommendations of and relevant information of the relevant candidate(s) shall be submitted to the Board of Directors;
- The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors / Executive Directors (MD/WTD/EDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration are governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards.
- The remuneration determined for MD/WTD/EDs shall be approved by the Board of Directors and members at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V of the Companies Act, 2013. As a policy, the Executive Directors shall not be paid sitting fee.
- In addition to the basic/fixed salary, benefits, perquisites and allowances, the Company may provide for payment to its MDs/ WTD/EDs, such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board subject to the overall ceilings stipulated in Section 197 and other applicable provisions of the Companies Act, 2013.
- This policy shall be placed on the Company's website.