

SHIVA CEMENT LIMITED

REMUNERATION POLICY

DOCUMENT CONTROL

Document version:

This Remuneration Policy document is version 1.2

Preparation/Revision History

SR. No.	Date of preparation / modification	Version No.	Modified by	Reviewed by	Authorised by	Last Revised Date
1	04.02.2025	1.2	Company Secretary	Nomination and Remuneration Committee	Board of Directors	Board of Directors 04.02.2025

Issuing Authority

This policy document is approved by the Board of the Company.

Author and Responsible Official

This policy document is to be maintained and updated by way of additions, deletions and modifications, only by the Company Secretary on recommendation of Nomination and Remuneration Committee. Every time the policy document is edited, the version increases by one unit and the version is to be mentioned on every page.

Applicability and Usage

This policy document applies to Directors, Key Managerial Persons and Other Employees of the **Shiva Cement Limited**. The policy shall be applicable from 21/04/2018.

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1. PREFACE

The Company regards its employees across organisational hierarchy as its most valuable and strategic resource and seeks to ensure a high performance work culture through a fair compensation structure, which is linked to Company and individual performance. At Shiva Cement Limited, the compensation is linked to the nature of job, skill and knowledge required to perform the given job in order to achieve Company's overall directive.

In terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Nomination and Remuneration committee shall recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other Employees and accordingly this policy has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors.

2. POLICY OBJECTIVES

The remuneration for Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company is framed with the following broad objectives:

- i. Remuneration is reasonable and sufficient to attract, retain and motivate directors;
- ii. Motivate KMP, Senior Management and other employees and to stimulate excellence in their performance;
- iii. Remuneration is linked to performance;
- iv. Remuneration Policy balances Fixed & Variable Pay and reflects short & long term performance objectives.

3. APPLICABILITY

The Policy is applicable to

- Directors (Executive and Non-Executive)
- Key Managerial Personnel and Senior management
- Other employees

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4. KEY DEFINITIONS

- 4.1** “Board” means Board of Directors of the Company.
- 4.2** “Directors” mean Directors of the Company
- 4.3** “Committee” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- 4.4** “Company” means Shiva Cement Limited
- 4.5** “Independent Director” means a director referred to in Section 149 (6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 4.6** “Key Managerial Personnel (KMP)” means-
- (i) the Chief Executive Officer or the managing director or the manager
 - (ii) the Company Secretary
 - (iii) the Whole-Time Director
 - (iv) the Chief Financial Officer
 - (v) Such other officer as may be prescribed under the applicable statutory provisions / regulations.
- 4.7** “Senior Management” means the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer or Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity.
- 4.8** “Remuneration” means remuneration as defined under Section 2(78) of the Companies Act, 2013 including any amendment thereof.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

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5. REMUNERATION COMPONENTS AND INCREMENTS

The remuneration includes fixed and variable pay and retirement benefits, wherever applicable. The compensation is linked to factors such as Company's performance, individual performance and such other factors considered relevant from time to time. Compensation system provides for evaluation & revision of remuneration each year which depends upon individual performance and Company's overall performance.

The promotions, if any, are given to employees including KMPs and Senior Management, on the basis of their capability and ability to take on higher responsibilities.

The achievements in respect of Company's performance are measured in comparison to the targets approved for the Company by the Board in the beginning of the year.

Eligible employees including Whole-time Directors, KMPs and Senior Management of the Company as permitted by applicable laws may be granted Stock Options.

6. POLICY

6.1 General:

1. The remuneration / compensation / commission etc. to the Whole-time Director and Managing Director, will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. to the Directors shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Managing Director/Whole-time Director/Executive Director shall be in accordance with the overall limits as percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the Schedule V and other applicable rules made thereunder.

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3. Revision to the existing remuneration / compensation structure may be recommended by the Committee to the Board subject to approval of the Shareholders when necessary, in the case of Managing Director / Whole-time Director / Executive Director and would be based on the individual's performance as well as the Company's overall performance.
4. Where any insurance is taken by the Company on behalf of its Managing Director/Whole-time Director/Executive Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

6.2 Remuneration to Whole-time / Executive / Managing Director

1. Fixed pay:

The Managing Director/Whole-time Director/Executive Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale (fixed) and quantum of perquisites including, employer's contribution to P.F, pension scheme, Gratuity medical expenses, LTA, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee. The remuneration paid shall be approved by the shareholders and Central Government, wherever required.

2. Performance Based Remuneration

In addition to fixed remuneration, the Company may implement a system of performance linked incentives designed to create a strong relationship between performance and remuneration.

The Company may conduct annual performance appraisals for Managing/Whole Time Director/Executive Director and the Nomination and Remuneration Committee shall recommend to the Board for any variation in the salary within the limits approved/may be approved by the shareholders.

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3. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/Whole-time Director/Executive Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the approval of the Central Government.

4. Provisions for excess remuneration:

If any Managing Director/Whole-time Director/Executive Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

6.3 Remuneration to Non- Executive / Independent Directors:

1. Remuneration / Commission:

The remuneration / commission shall be fixed within the slabs and as per the conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

2. Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the amount approved by the Board of Directors subject to the provisions of the Companies Act, 2013

3. Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limits computed as per the applicable provisions of the Companies Act, 2013.

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6.4 Remuneration to KMP, Senior Management and other employees:

The KMP, Senior Management Personnel and other employees of the Company shall be paid remuneration as per the Company's policies and / or as may be approved by the Committee / Board.

7. AMENDMENT

The Nomination & Remuneration Committee is responsible for monitoring, implementation and review of this policy. The Nomination & Remuneration Committee shall provide recommendations as and when it deems necessary to the Board as to how to effectively structure and make recommendation as and when required to facilitate a remuneration strategy which will meet the needs of the Company.

In case of any amendments / clarifications etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then this Policy shall stand amended accordingly from the effective date as laid down thereunder.

The compensation for KMP, Senior Management & other employees will be governed by policies implemented by the Company from time to time.

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