

## DCM SHRIRAM LIMITED

### REMUNERATION POLICY

#### 1. PREAMBLE

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI Listing Regulations]. On the recommendation of Nomination, Remuneration and Compensation Committee, this policy has been approved by the Board of Directors.

#### 2. OBJECTIVE

The Policy relates to designing the remuneration for the Directors, Key Managerial Personnel (KMPs), Senior Management Personnel (SMPs) and other employees of the Company.

#### 3. DEFINITIONS

- a) **“Board”**:-Board means Board of Directors of the Company.
- b) **“Director”**:-Directors means Directors of the Company.
- c) **“Committee”**:-Committee means Nomination, Remuneration and Compensation Committee of the Company as constituted or reconstituted by the Board, from time to time.
- d) **“Company”**:- Company means DCM Shriram Limited.
- e) **“Independent Director”**:- As provided under SEBI Listing Regulations and/or under the Companies Act, 2013 and relevant rules thereto.
- f) **“Key Managerial Personnel”**:- Key Managerial Personnel (KMP) means-
  - (i) the Chairman and Senior Managing Director;
  - (ii) the Company Secretary;
  - (iii) the Chief Financial Officer; and
  - (iv) such other officer as may be prescribed under the applicable statutory provisions/regulations and approved by Board from time to time.
- g) **“Senior Management Personnel”**:- shall mean the personnel of the Company who are members of its Core Management team, excluding the Board of Directors, comprising all members of management that are one level below the Executive Directors, including the functional heads.

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.

#### 4. KEY PRINCIPLES

##### The following principles guide the design of remuneration under this Policy:

- (i) Attract, retain and motivate the right talent, including the Directors and Employees as required to meet the goals of the Company.
- (ii) Remuneration to the Directors, KMPs, and SMPs is aligned with the short term and long term goals and performance of the Company.

- (iii) Promote the culture of meritocracy, performance and accountability. Give appropriate weightage to individual business and overall Company's performance.
- (iv) Reflect market trends and practices, competitive positions to attract the required talent.

#### **5. REMUNERATION PAID TO EXECUTIVE DIRECTORS/MANAGING DIRECTORS**

- (i) The Remuneration to Executive Directors will be approved by the Board of Directors based on the recommendations of the Committee, subject to the approval of shareholders and such other authorities as may be applicable. The concerned Executive Director will not participate in such discussions of the Board/Committee.
- (ii) The compliance of the relevant provisions of the Companies Act, 2013 and SEBI Listing Regulations regarding the limits of remuneration will be ensured.
- (iii) The remuneration will include the following components :
- (iv)
  - a) **Basic Salary**
    - Provides for a fixed, per month, base level remuneration to reflect the scale and dynamics of business to be competitive in the external market.
    - Will be subject to an annual increase as per the recommendations of the Committee and the approval of the Board of Directors.
  - b) **Commission**
    - Executive Directors will be allowed remuneration, by way of commission in addition to the Basic Salary, Perquisites and any other Allowances, benefits and amenities.
    - The total amount of remuneration along with Commission paid to all Executive Directors shall not exceed the limits laid down in Sections 197 and 198 of the Companies Act, 2013.
    - The amount of commission shall be paid subject to recommendation of the committee and approval of the Board of Directors.
  - c) **Perquisites and Allowances**

Perquisites and Allowances commensurate to the position of Executive Directors.
  - d) **Contribution to Provident, Superannuation fund and Gratuity payments**
  - e) **Minimum Remuneration**

In the event of absence or inadequacy of profits in any financial year, the remuneration approved by the shareholders excluding commission is paid to Executive Directors as a minimum remuneration, subject to necessary approvals, if any.

#### **6. REMUNERATION PAID TO NON-EXECUTIVE AND INDEPENDENT DIRECTORS**

The Non-Executive and Independent Directors would be paid remuneration by way of sitting fees for attending meetings of Board or Committee thereof and profit related commissions as approved by Board and Shareholders. The amount of such fees and commissions shall be subject to ceiling/limits as provided under the Companies Act, 2013 and Rules made thereunder or any other enactment for the time being in force.

**7. KMPS/SENIOR MANAGEMENT PERSONNEL/OTHER OFFICERS & STAFF**

The Remuneration to be paid to KMPS/Senior Management Personnel/other officers & staff is based on the grade, role and position in the Company, the experience, qualification, skills and competencies of the related personnel/employees, the market trends, practices and benchmarks. The positioning strategy is to see that the compensation provides adequate opportunity to attract the required talent and retain the same to be able to meet the requirements of the job and business.

The remuneration is subject to review on the basis of individual and business performance. The performance of employees is reviewed based on competency assessment and key results delivered, along with using a forced distribution method/bell curve. The performance assessment, more specifically, is used as an input to determine merit/special increments, performance bonus, rewards, incentives (short term and long term) and other recognitions/promotions.

The remuneration includes salary, allowances, perquisites, awards, loans/advances as per Company's scheme, retirement benefits, benefits under welfare schemes, subsidies, etc.

The objective is to ensure that the compensation engage the employees to give their best performance.

**8. WORKMEN COMPENSATION**

Workmen are paid wages in accordance to the settlement with the recognized union of the workers as per best industry practice, as applicable. Where there is no union, workmen wages are as per the best industry practice and applicable law. All our remuneration components will be in accordance with applicable statutory compliances.

The remuneration includes salary, allowances, perquisites, awards, loans/advances as per Company's scheme, retirement benefits, benefits under welfare schemes, subsidies, etc.

**9. DIRECTORS' AND OFFICERS' INSURANCE**

Where any insurance is taken by the Company on behalf of its Directors, KMPS/Senior Management Personnel etc. 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.

**10. AMENDMENTS**

Notwithstanding the above, the applicable provisions and amendments, if any, under the Companies Act, 2013 and/or SEBI Listing Regulations in respect of this policy and related matters shall be implemented by the Company. The Committee may recommend amendments to this Policy from time to time as it deems appropriate.

**11. DISCLOSURE**

The Policy shall be disclosed as required under the Companies Act, 2013 and SEBI Listing Regulations and in the Annual Report as prescribed.

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