THE SUKHJIT STARCH & CHEMICALS LIMITED

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EXECUTIVES

The Policy relating to the remuneration of the directors, key managerial personnel and other executives ("the Policy") sets out the criterion and approach to fix remuneration of the executives of The Sukhjit Starch & Chemicals Limited ("the Company").

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act") and Regulation 19, 20 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") which inter alia, mandates the Nomination and Remuneration Committee of a listed entity to devise a policy on remuneration to directors, key managerial personnel & other executives.

In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under:

"(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors/ managerial personnel of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management personnel 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."

Key Principals governing this Policy are as follows:

(a) The remuneration / compensation / commission etc to Directors will be determined by the Committee and recommended to the Board for approval.

(b) The remuneration and commission to be paid to the Managing Director/ other working Directors shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.

(c) Revision in the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be approved by the Shareholders in the case of Managing Director/ other working Directors, as per the provisions of the Act.

(d) Annual increments may however, be given by the Board to the Managing Director/ Whole- time Directors as recommended by the committee, with in the overall limits approved by the shareholders. Increments to KMPs (other than Directors)/ other executives may be given either annually or as decided by the Board/ Management &/or as recommended by the NR committee in case of KMPs / other senior executives of the company.

(e) Independent directors ("IDs") and non-independent non-executive directors ("NEDs") may be paid sitting fees (for attending the meetings of the Board / Committees of which they may be members) and commission on profits as may be decided from time to time within the regulatory limits.

(f) Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).

(g) Overall remuneration practices shall be consistent with recognized best practices.

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(h) Quantum of sitting fees may be subject to review on a periodic basis, as may be deemed fit, within the overall limits prescribed under the Act.

(i) In addition to the sitting fees and commission, the company may pay/ reimburse to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/her role as a director of the company. This could include expenditure incurred by the director including travelling expenses etc. for attending Board / Committee meetings, General meetings or any other meeting, attending training programs (organized by the company for directors).

- **Remuneration for managing director ("MD")/executive directors ("ED")/KMP / other executives[1]**

❖ The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be:

- Market competitive
- Driven by the role played by the individual.
- Reflective of size of the company, complexity of the sector/industry/company's operations and the company's capacity to pay.
- Decided according to the qualification/ experience/ competence/ performance of the individual.
- Consistent with recognized bestpractices.
- Compliant with regulatory/ statutory requirements, if any applicable.

❖ In terms of remuneration mix or composition:

- The remuneration mix for the MD/EDs is as per the contract approved by the shareholders which may include fixed salary, allowances, perquisites, reimbursements, commission on profits, other benefits etc. In case of any change, the same would require the approval of the shareholders.
- Basic/fixed salary to be provided to all executives to ensure that there is a steady income in line with their skills and experience.
- In addition to the basic/fixed salary, the company may provide executives with certain perquisites, allowances and other benefits including payments of bonus/ ex gratia, reimbursement of medical expenses, conveyance expenses, payment of mediclaim, insurance premium, personal accidental insurance premium etc.
- The company to provide retirement benefits as applicable like P.F., gratuity, superannuation etc. (as applicable).

Responsibility and Review

This policy shall be reviewed by the Nomination and Remuneration Committee as may be felt appropriate from time to time. Any change or modification in the policy, as recommended by the NR Committee, will be placed before the Board of Directors for necessary approval.

[1] *Excludes executives covered by any long term settlements or specific term contracts. The remuneration for these executives would be driven by the respective long term settlements or contracts.*

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