

## **SHUBH POULTRIES LTD**

### **REMUNERATION POLICY FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT AND OTHER EMPLOYEES**

#### **1. Preamble**

The primary objective of this Remuneration Policy is to provide a framework for the remuneration of the Directors, Key Managerial Personnel (KMP), Members of Senior Management and other employees of the Company.

The primary objectives of this Policy are as under:

- a) To ensure that the level and composition of remuneration is in line with other companies in the industry, sufficient to attract and retain right talent, at all levels and keep them motivated enough to meet the organizational objectives.
- b) To ensure that a reasonable balance is maintained in terms of composition of remuneration (fixed and variable component).
- c) To have performance measurement parameters in place to assess the overall performance of Directors, KMPs, Members of Senior Management and other employees.

Based on the above objectives and broad parameters set herein, the Board of Directors of the Company at its meeting held on March , approved this Policy.

#### **2. Applicability**

This Policy shall be applicable and act as a guiding principle with regard to remuneration payable by the Company to all Directors, KMPs, Senior Management and other employees of the Company.

#### **3. Remuneration of Non-executive / Independent Directors**

- The key elements of remuneration of Non-executive/ Independent Directors are commission and sitting fees, subject to overall limit as prescribed in the Companies Act, 2013 and Rules made there under and the approval of the shareholders, as applicable. The Independent Directors shall not be eligible for stock options. However Non Executive Directors are eligible for stock options as may be decided by the Nomination and Remuneration Committee of Directors (NRC) from time to time.
- Since, the Non-executive/ Independent Directors collectively endeavour to ensure that the Company performs well and is compliant with applicable laws, rules, regulations and guidelines, the commission paid to them, shall be subject to the approval of the Board.

#### **4. Remuneration of Whole-time Directors/Executive Directors**

- The Whole-time Directors/Executive Director are appointed on a contractual basis for a fixed tenure as approved by the shareholders and such contracts are renewable upon expiry of the tenure subject to recommendation by the NRC/ Board and approval of the shareholders.
- The remuneration paid to Whole-time Directors/Executive Director is within the limits approved by the shareholders of the Company, which includes fixed salary, perquisites, variable pay in the form of commission, other benefits and allowances and certain retiral benefits, within the overall limit under Section 197 of the Companies Act,

2013. They are also eligible for stock options as per the scheme framed/ to be framed by the Company, from time to time.

- Their annual increments shall be linked to their overall performance and as decided by the NRC, from time to time.

**5. Remuneration of Senior Management, KMP (other than whole-time directors) and other employees**

- Senior Management shall mean and include the following:
  - Members of Executive Management; and
  - KMPs (other than whole-time director).
- The key components of remuneration package of the Senior Management and other employees of the Company shall comprise of basic salary, dearness allowance, house rent allowance, transport allowance, ex-gratia, performance bonus, contribution to provident fund and superannuation fund, premium on medical insurance and personal accident insurance, gratuity, leave travel allowance, leave encashment, housing/ other loans at concessional rate etc, as applicable and linked to their grade. They may also be eligible for stock options as per the scheme framed/ to be framed by the Company, from time to time.
- The remuneration, performance appraisal and rewards to Senior Management and other employees, shall be in line with the stated objectives.
- The annual increments for the Senior Management and KMP (other than Whole Time Directors) and other employees shall be linked to their overall performance and as decided by the CEO and Managing Director in consultation with their reporting managers and Human Resources Department.
- Employees must conduct themselves to ensure that no breach of Code of Conduct, Shubh Poultries Ltd Share Dealing Code, Standard Operating Procedures (SOPs) and all other relevant and applicable Codes are committed. Any such breach will have a direct bearing on their performance appraisal and rewards and shall also attract appropriate disciplinary action.

**6. Disclosures in the Board’s Report**

- The disclosures as required under the relevant provisions of the Companies Act, 2013, the rules made there under and the revised Clause 49 of the Listing Agreements shall be made with regard to the remuneration details of the Directors, KMPs, Senior Management and other employees.

**7. Policy review**

- This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Companies Act, 2013 and rules made there under, the Listing Agreements, the Securities and Exchange Board of India Act, 1992 and rules/regulations/ guidelines made there under, the Memorandum and Articles of Association of the Company or as may be otherwise prescribed by the Board from time to time.
- The NRC may issue/implement such guidelines, procedures, formats and/or reporting mechanisms to enforce this Policy as it may deem fit.

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