



(Amended on 10th August, 2021)

Remuneration Policy for Directors, Key Managerial Personnel, Senior Management and other employees

1. Introduction

- 1.1 SRM Energy Limited (SRM) formulated the remuneration policy for its directors, key managerial personnel, Senior Management and other employees keeping in view the following objectives:
 - 1.1.1 Ensuring that the level and composition of remuneration is rational and adequate to attract, retain and motivate, to run the company successfully.
 - 1.1.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
 - 1.1.3 Ensuring that remuneration 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.

2. Scope and Exclusion:

This Policy sets out the guiding principles for the, Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel senior management and other employees of the Company.

3. Terms and References:

In this Policy, the following terms shall have the following meanings:

- 3.1 **“Director”** means a director appointed to the Board of the Company.
- 3.2 **“Key Managerial Personnel”** 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, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and
 - (vi) such other officer as may be prescribed under the Companies Act, 2013
- 3.3 **“Nomination and Remuneration Committee”** means the committee constituted by SRM’s Board in accordance with the provisions of Section 178 of the Companies Act, 2013, Companies (Amendment) Act, 2017, rules made thereunder (including any amendment/modifications thereof) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.4 “Senior Management” means personnel of the company who are members of its **core management team excluding Board of Directors** comprising all members of management **one level below** the executive directors (including the functional heads)/chief executive officer /managing director /whole time director/ manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

4. Policy:

4.1 Remuneration to Executive Directors and Key Managerial Personnel

4.1.1 The Board, on the recommendation of the Nomination and Remuneration (NR) Committee, shall review, approve and ratify the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

4.1.2 The Board, on the recommendation of the NR Committee, shall also review, approve and ratify the remuneration payable to the Key Managerial Personnel of the Company.

4.1.3 The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)
- (v) Retiral benefits
- (vi) Annual Performance Bonus

4.1.4 If committee finds it suitable, the Annual Plan and Objectives for Executive Directors and Senior Executives (Executive Committee) shall be reviewed by the NR Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

4.2 Remuneration to Non-Executive Directors& Independent Directors

4.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.

4.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non-Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

4.3 Remuneration to Senior Management Personnel

The NR Committee shall be responsible to recommend to the board, all remuneration, in whatever form, payable to senior management as required from time to time.

4.4 Remuneration to other employees

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, position, knowledge and current remuneration levels for comparable jobs.

- 5. In -view of the prevailing financial conditions of the Company, the Managing Director is not taking any remuneration and rest all other Directors have also decided not to accept any sitting fees.**