DCM SHRIRAM FINE CHEMICALS LIMITED

REMUNERATION POLICY

Preamble

The Remuneration Policy of DCM Shriram Fine Chemicals Ltd. (the "Company") is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

This Remuneration Policy applies to Directors, Senior Management including its Key Managerial Personnel (KMPs) and other employees of the Company.

Guiding principle

The guiding principle is that the remuneration and the other terms of employment should effectively help in attracting and retaining committed and competent personnel.

While designing remuneration packages, industry practices and cost of living are also taken into consideration.

Nomination & Remuneration Committee

The Board has constituted the Nomination & Remuneration Committee of the Board ("NRC") on 01.12.2025 This is in line with the requirements under Section 178 of the Companies Act, 2013 ("Act") and Regulation 19 of the SEBI (LODR) Regulations, 2015, as amended from time to time. This Policy and the terms of reference of NRC laid down by the Board are integral to the functioning of the NRC.

Definitions

a. "Board" means Board of Directors of the Company.

b. "Directors" means Directors of the Company.

c. "Committee" or "NRC" means Nomination & Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.

d. "Company" means DCM Shriram Fine Chemicals Limited.

e. "Independent Director" means a Director appointed pursuant to Section 149(6) of the Act and Rules thereunder and the Listing Regulations.

f. "Key Managerial Personnel (KMP)" in reference to the Company means:
   - the Managing Director & CEO;
   - Chief Financial Officer; and
   - Company Secretary

g. "Listing Regulations" means SEBI (LODR) Regulations, 2015 as amended from time to time.

h. "Senior Management" shall mean the officers and personnel of the Company 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 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 Company.
   The Managing Director may include any other officer(s) as part of Senior Management considering the nature of job/ responsibility from time to time.

i. Rank and Designation:
   Rank
   There is a distinction between "Rank/ Category" and "Designation" of an officer. Designation may not necessarily be an indication of the Rank/ Category.
   The Company categorizes executives broadly in the following Ranks/Categories:

   - Officer – Grade I, II, III, etc.
   - Manager - Asst. Manager, Sr.AM, Dy. Manager, Addl. Manager, Manager, Sr. Manager, etc.
   - General Manager – Asst.GM, Dy.GM, Addl.GM, GM, Sr.GM, Chief GM, V.P. Sr. VP, Jt. President, etc.
   - Vice President / Sr. Vice President

Designations:

Designations are no indicator of Rank/ Category of an officer and are assigned considering nature of work, responsibilities, need to deal with external agencies, domestic and international, etc.

Directors

For every appointment of an independent director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may

- use the services of an external agencies, if required; consider the time commitments of the candidates
- consider candidates from a wide range of backgrounds, having due regard to diversity; and
- consider the time commitments of the candidates

The non-executive directors are paid remuneration in the form of sitting fees for attending Board and Committee meetings, as fixed by the Board of Directors from time to time, subject to statutory provisions. Presently sitting fee is Rs.50,000 (Rupees Fifty Thousand only) per Board meeting and Rs. 25,000 (Rupees Twenty Five Thousand only) per Committee meeting. In addition, the non-executive directors may be paid commission of up to 1% of the net profit of the Company computed in the manner laid down under Section 198 of the Companies Act, 2013, every year, in such amount and proportion as may be decided by the Board of Directors, subject to the approval of shareholders.

Remuneration of Whole-Time Directors including Managing Director reflects the overall remuneration philosophy and guiding principle of the Company. While considering the appointment and remuneration of Whole Time Directors, the NRC considers pay and employment conditions in the industry, merit and seniority of the person and the paying capacity of the Company.

The NRC, while designing the remuneration package, considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

The NRC while considering a remuneration package must ensure a balance between fixed and performance linked variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The NRC considers that a successful Remuneration Policy must ensure that some part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

The term of office and remuneration of Whole Time Directors are subject to the approval of the Board of Directors, shareholders and the limits laid down under the Act from time to time.

Reward principles and objectives

The Company's Remuneration Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged u/s 178 of the Act, *inter alia* principles pertaining to determining qualifications, positive attributes, integrity and independence etc.

Reward policies

Remuneration packages for Whole Time Directors are designed subject to the limits laid down under the Act to remunerate them fairly and responsibly. The Whole-Time Directors' remuneration comprises of salary, perquisites and performance based commission/ reward apart from retirement benefits like P.F., Superannuation, Gratuity, etc. as per Rules of the Company.

Remuneration also aims to motivate personnel to deliver Company's key business strategies, create a strong performance oriented environment and reward achievement of meaningful targets over the short and long term.

The Whole Time Directors are entitled to customary non-monetary benefits such as company cars, furnished accommodation, health care benefits, leave travel, communication facilities, etc. Their terms of appointment provide for severance payments as per the Act.

Key Managerial Personnel and Senior Management

Appointment of KMPs & Senior Management Personnel and cessation of their service are subject to the approval of the NRC and the Board. All remuneration in

whatever form payable to KMPs/ Senior Management Personnel shall be approved by the Board on recommendation of the NRC. However Annual increments and elevation/ deployment of Senior Management Personnel one level below the Board, other than KMPs, shall be decided by the Managing Director as the case may be.

Total remuneration comprises of:

a) **A fixed base salary** – set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.

b) **Perquisites** – in the form of house rent allowance/ accommodation, furnishing allowance, reimbursement of medical expenses, conveyance, telephone, leave travel, etc.

c) **Retirement benefits** – contribution to PF, superannuation, gratuity, etc as per Company Rules.

d) **Motivation/ Reward –** A performance appraisal is carried out annually and promotions/ increments/ rewards are decided by MD/SMD based on the appraisal and recommendation of the concerned Whole Time Director, where applicable.

e) **Severance payments** – in accordance with terms of employment, and applicable statutory requirements, if any.

Other employees

The remuneration of other employees is fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living. In addition to basic salary they are also provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, where applicable. Policy of motivation/ reward/ severance payments are applicable to this category of personnel as in the case of those in the management cadre.

Disclosure of information

Information on the total remuneration of members of the Company's Board of Directors, Whole Time Directors and KMPs/ Senior Management Personnel may be disclosed in the Company's annual financial statements as per statutory requirements.

Application of the Remuneration Policy

This Remuneration Policy shall continue to guide all future employment of Directors, Company's Senior Management including Key Managerial Personnel and other employees.
Any departure from the policy can be undertaken only with the approval of the Board of Directors.

Dissemination

The Company's Remuneration Policy shall be published on its website.

Sd/-
(Urvashi Tilakdhar)
Dated: 24.12.2025 Senior Managing Director