

SBEC SUGAR LIMITED
REMUNERATION POLICY

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NOMINATION AND REMUNERATION POLICY

PREAMBLE

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all the Directors, Key Managerial personnel and employees of the Company and in terms of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement (as amended from time to time), this policy on nomination and remuneration of Directors, Key Managerial personnel (KMP) and Senior Management has been formulated by of the Nomination and Remuneration Committee ("NRC") as approved by the Board of Directors of the Company.

CONSTITUTION OF COMMITTEE

The Board of Directors of the Company (the Board) constituted the Committee be known as the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than half are independent Directors. The Chairman of the Committee is an Independent Director. However, the Chairperson of the Company (whether executive or non-executive) may be appointed as member of the NRC but shall not chair such Committee.

OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 under the Listing Agreement. The Key Objectives of the Committee would be:

- 1.1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- 1.2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 1.3. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

- 1.4. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.5. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6. To devise a policy on Board diversity
- 1.7. To develop a succession plan for the Board and to regularly review the plan;

APPLICABILITY

- a) Directors (Executive or Non-executive)
- b) Key Managerial Personnel
- c) Senior Management Personnel

DEFINITIONS

"Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

"Board" means Board of Directors of the Company.

"Directors" mean Directors of the Company.

"Key Managerial Personnel" means

- i. Chief Executive Officer or the Managing Director or the Manager and in their absence, a whole time Director;
- ii. Chief Financial Officer;
- iii. Company Secretary;
- iv. such other officer as may be prescribed.

Policy for appointment and removal of Director, KMP and Senior Management

1. Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

2. Term / Tenure

a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

-An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the Committee as per regulatory requirement; he/she shall be eligible for appointment for one more term of 5 years only.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an

Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

Broad Criteria for Evaluation the performance of Independent Directors;

Role & Accountability: The Independent Director understands their nature, risks associated with the business and their role as a Director of the Company. Accordingly they have rendered advices to the management for resolution of business issues. The Independent Directors in the Board have actively engaged with the management and attentiveness to progress of decisions taken.

Objectivity: The Independent Directors in the Board have placed their suggestions, recommendations and views in an unbiased manner during the course of decision making on the matters of the Company.

Leadership & Initiative: Independent Directors have played a crucial role in dealing successfully within their areas of domain knowledge and experience.

Personal Attributes: The Independent Directors in the Board has shown firm commitment towards their role and fiduciary responsibilities as a Board member. Directors have attended and actively participated in the meeting of Board and Committees conducted time to time during the financial year. They have made every possible contribution to the Company through their proactive, strategic and lateral thinking.

4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management

Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/ KMPs/ SENIOR MANAGEMENT PERSONNEL

1. Remuneration to Managing/ Whole -time/ Executive/ Managing Director, KMP and Senior Management Personnel:

The Remuneration/ Compensation/ Commission etc. to be paid to Director/ Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

2. Remuneration to Non-Executive/ Independent Director:

The Non-Executive Independent Director may receive sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder and Articles of Association of the Company or any other enactment for the time being in force.

3. Duties in Relation Nomination Matters

The duties of Committee in relation to nomination matters include:

- Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act.
- Identifying and recommending Directors who are to be put forward for retirement by rotation.
- Determining the appropriate size, diversity and composition of the Board;
- Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;

- Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee.
- Recommend any necessary changes to the Board; and
- Considering any other matters as may be requested by the Board.

DUTIES IN RELATION TO REMUNERATION MATTERS

The duties of the Committee in relation to remuneration matters include:

- Considering and determining the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- Approving the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- Delegating any of its powers to one or more of its members or the Secretary of the Committee
- Considering any other matters as may be requested by the Board.

REVIEW AND AMENDMENT

- The NRC or the Board may review the policy as and when it deems necessary.
- The NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this policy, if it thinks necessary.
- This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there is any statutory changes necessitating the change in the policy.

SBEC SUGAR LIMITED

Code of practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information

[Pursuant to sub-regulation (1) of regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015]

The Board of Directors of SBEC Sugar Limited (“the Company”) are expected to manage their affairs of the Company in a fair, transparent and ethical manner keeping in view the needs and interest all the stakeholders. The Company has since time immemorial, been committed to transparency and fairness in dealing with all the stakeholders.

Preface:

1. SEBI on 15th January, 2015, has introduced SEBI (Prohibition of Insider Trading) Regulations, 2015, to be effective from 15th May, 2015.
2. Chapter –IV of SEBI (Prohibition of Insider Trading) Regulations, 2015, Regulation 8 provides for the formulation of a “Code of practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information” (hereinafter referred to as “Code”).
3. The Company endeavor to preserve the confidentiality of unpublished price sensitive information and to prevent the misuse such information. To achieve these objectives and in compliance with the aforesaid SEBI regulations, the Company notifies this code.
4. The code shall be applicable on all the Board of Directors of the Company w.e.f. 15th May, 2015.
5. Any subsequent modification and/or amendments brought about by SEBI in the aforesaid Regulations shall automatically apply this code.

Principles of Fair Disclosure for purpose of Code of practices and procedures for fair Disclosure of Unpublished Price Sensitive Information:

1. Prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes in to being in order to make such information generally available.
2. Uniform and universal dissemination of unpublished price sensitive to avoid selective disclosure, shall be ensured.
3. The Chief Financial Officer of the Company shall act as a chief investor relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
4. There shall be prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise. It shall be ensured that such information is made generally available.
5. The Board of Directors shall ensure that appropriate and fair response shall be provided to queries on news reports and request for verification of market rumours by regulatory authorities.
6. The Board of Directors shall ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
7. The Board of Directors shall develop best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
8. Unpublished price sensitive information shall be followed on a need-to-know basis.

Powers of Board of Directors

The Board of Directors of the Company will be responsible for implementation of this "Code". Board reserves the right to modify this code in whole or in part, at any time without assigning any reason what so ever but within the framework of the aforesaid regulations.

Disclosure of the Code in Public Domain:

This Code shall be published on the official website of the Company.

Further, this code and every subsequent amendment thereto, shall be promptly intimated to the Stock Exchange where the securities of the Company Listed.