

## **NOMINATION AND REMUNERATION POLICY**

**{Pursuant to Section 178 of the Companies Act, 2013 and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Hereinafter called as “LODR”)}**

### **1. PREFACE:**

In terms of the provisions of Section 178 of the Companies Act, 2013 read with the applicable rules thereto and Regulation 19(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, this policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors.

Upon the recommendations of Nomination and Remuneration Committee, the Board of Directors of Hind Syntax Limited (“HSL”) in their meeting held on 10<sup>th</sup> November, 2016 made certain amendments in the existing policy and thereafter replaced the existing policy with the amended policy.

The amended policy is as under:-

### **2. APPLICABILITY:**

The policy is applicable to:

- a) Directors (Executive and Non-Executive)
- b) Key Managerial Personnel
- c) Senior Management Personnel or such other persons of the Company as the Committee may deems fit for that purpose.

### **3. TERMS OF REFERENCE/ROLE OF THE COMMITTEE:**

The Terms of Reference of the Nomination and Remuneration Committee are as follows:

- a. To identify persons who are qualified to become Directors (Executive and Non-Executive) and who may be appointed in Senior Management and Key Managerial positions in accordance with the criteria laid down in the policy and recommend to Board their appointment and removal.
- b. To formulate criteria for determining qualifications, positive attributes and independence of a Director.

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- c. To recommend to the Board on Remuneration payable to the Directors (whole time Directors, Executive Directors etc), Key Managerial Personnel and employees of Senior Management while ensuring the following:-
  - i) That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
  - ii) That relationship of remuneration to performance in respect of Directors, Key Managerial Personnel and employees of Senior Management is clear and meets appropriate performance benchmarks.
  - iii) That remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate of the working of the Company and its goals.
- d. To formulate criteria for evaluation of every Director including Independent Director and the Board.
- e. To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel and provide necessary report to the Board for further evaluation by the Board.
- f. To enable the company to attract, retain and motivate highly qualified members for the Board and other executive level to run the Company effectively and successfully.
- g. To provide to Key Managerial Personnel and Senior Management, reward linked directly to their efforts, performance, dedication and achievement relating to the Company's operations.
- h. To devise a policy on Board diversity from time to time; and
- i. To develop a succession plan for the Board and to regularly review the plan.

#### **4. STATUTORY POWERS OF THE COMMITTEE:**

- a) The committee shall have a power to express opinion whether the Director possesses the requisite qualification for the practice of the profession, when remuneration is proposed to be paid for the services to be rendered in any other capacity and such services to be rendered are of a professional nature.
- b) Where in any Financial Year during the currency of tenure of a managerial person, a Company has no profits or its profits are inadequate, the Committee may approve the payment of remuneration as per Section II of Part II of Schedule V to the Companies Act, 2013.

#### **5. COMPOSITION OF THE COMMITTEE:**

- a. The Committee shall consist of a minimum 3 Non-Executive Directors, majority of them being Independent Directors.
- b. Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c. Membership of the Committee shall be disclosed in the Annual Report.



- d. Term of the Committee shall be continued unless terminated by the Board of Directors.

**6. CHAIRMAN:**

- a. The Chairman of the Committee shall be an Independent Director.
- b. The Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one of the Independent Directors amongst them to act as Chairman.
- d. The Chairman of the Committee shall endeavor to be present at the Annual General Meeting or, in his absence any other member of the committee as authorized shall attend the Annual General Meeting.

**7. FREQUENCY OF MEETINGS:**

The Committee shall meet as per the requirement of Companies Act, 2013 rules made there under read with requirement of SEBI (LODR) Regulations, 2015. The meeting of the Committee shall be held at such regular intervals as may be required.

**8. COMMITTEE MEMBERS' INTERESTS:**

- a. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b. The Committee may invite such executives, functional heads and outside experts, as it considers appropriate, to be present at the meetings of the Committee.

**9. SECRETARY:**

The Company Secretary of the Company shall act as Secretary of the Committee.

**10. VOTING:**

- a. Decisions of the Committee shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

**11. MINUTES OF COMMITTEE MEETING:**

The minutes of all the proceedings of all meetings must be signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board Meetings.

**12. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, 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 in one or more fields of finance, law, management, sales, marketing, administration, public administrative services, research, corporate governance, technical operations or any other discipline related to the Company's business for appointment as Director, KMP or at Senior Management level and recommend to the Board for 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.
- d) As per Selection Criteria of Senior Management shall mean employees hired at the level of Divisional Heads and Corporate Functional Heads or equivalent positions. The policy provides that the candidate should have appropriate qualifications, skills and experience for discharging the role. The qualifications, skills and experience of each such position shall be defined in the job description, which will be maintained by the HR function.

## 2. Term/Tenure:

### a) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its 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 of upto maximum of 5 years each, 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.



- At the time of appointment of Independent Director it should be ensured that number of Board 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.
- The candidate proposed to be appointed as Independent Director, should not have any direct or indirect material pecuniary relationship with the Company and must satisfy the requirements imposed under the Companies Act or under the SEBI (LODR) Regulations, 2015 requirements.

### **3. Evaluation:**

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

### **4. Removal:**

Due to reasons for any disqualification mentioned in the Act or under any 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.

## **13. BOARD DIVERSITY:**

The Board shall consist of such number of Directors, including at least one women Director and not less than fifty percent of the Board of Directors comprising non-executive directors, as is necessary to effectively manage the Company of its size.

When the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise independent directors and in case the Company does not have a regular non-executive Chairman or in case the regular non-executive Chairman is a promoter of the Company, at least half of the Board comprise independent directors.

The Committee will lead the process for Board appointments. All Board appointments will be based on the skills, diverse experience, independence and knowledge which the Board as a whole requires to be effective. The Committee shall seek to address Board vacancies by actively considering candidates that bring a diversity of background and opinion from amongst those candidates with the appropriate background and industry or related expertise and experience. The candidates will be considered against objective criteria, having due regard to the benefits of diversity on the Board.



Additionally the Board may consider appointment of experts from various specialized fields such as finance, law, information technology, corporate strategy, marketing and business development, operations management etc. so as to bring diversified skill sets on board or succeed any outgoing director with the same expertise.

#### **14. POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL:**

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

The Board, on the recommendation of the Nomination and Remuneration Committee, reviews and approves the remuneration payable to the Executive Directors and Key Managerial Personnel. The Board and the Committee considers the provisions of the Companies Act, 2013, the limits approved by the shareholders and the individual and corporate performance in recommending and approving the remuneration to the Executive Directors and Key Managerial Personnel 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 remuneration/ compensation/ commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under for the time being in force or as may be decided by the Committee / Board / Shareholders from time to time.

#### **15. PERFORMANCE EVALUATION:**

The process approved by the Nomination and Remuneration Committee requires the Chairman to initiate the performance evaluation process in the month of April every year. The performance evaluation is conducted based on approved criteria in the evaluation forms. The process highlights are as under:

**a) Board:** Each Board member completes the self-evaluation form. Independent Directors discuss the self-evaluation forms in a separate meeting and share their feedback with the Chairman of the Company. The Chairman discusses with the entire Board at the Board Meeting.

**b) Committees:** Each Committee member completes the self-evaluation form and shares feedback with the Chairman of the Committee. The Chairman of the Committee discusses the evaluation form analysis with the Whole-time Director and later with the entire Board at the Board Meeting.



**c) Independent Directors:** Each Board member completes the peer evaluation form. Independent Directors discuss the peer evaluation forms in a separate meeting and share their feedback with the Chairman. The Chairman conveys feedback individually to the concerned Directors.

The evaluation of individual directors including Independent Directors shall be done by the Board as a whole keeping in view the inputs provided by Nomination & Remuneration Committee.

**16. DISSEMINATION:**

The policy shall be published on Company's website and accordingly disclosed in the Annual Report as part of Board's Report therein.

**17. EFFECTIVE DATE:**

This policy will be effective from 10th November, 2016 and may be amended subject to the approval of Board of Directors.

**18. REVIEW AND AMENDMENT:**

The Nomination & Remuneration Committee or the Board may review the policy as and when it deems necessary and it may be amended or substituted by the Committee 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.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

**Date: 10<sup>th</sup> November, 2016**