



# **SHREE RAJASTHAN SYNTEX LIMITED**

## **NOMINATION AND REMUNERATION POLICY**

### **PREFACE -**

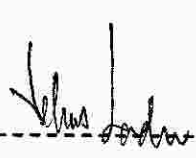
S. No.	Particulars	Details
1.	Title	Nomination and Remuneration Policy
2.	Effective Date	14.09.2017
3.	Version Number	2.00
4.	Approved by	Board of Directors in meeting dated 14.09.2017
5.	Number of Revision(s)	1
6.	Last Revised Date	-
7.	Date of it's First Approval by Board and it's effective date	Board Approval received on 12.02.2015 Effective date of Policy - 12.02.2015

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 Company Secretary

  
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 Executive Director

  
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 Managing Director
14<sup>th</sup> September, 2017

## 1. INTRODUCTION

- **SHREE RAJASTHAN SYNTEX LTD.**, ("the Company") believes that remuneration is an element of financial reward used to appraise employees, which motivates them to work with zeal & enthusiasm and ultimately achieve the goal of the Company more effectively and efficiently.
- This Policy is been formulated -
  - a. in terms of Section 178 of The Companies Act, 2013 ("**The Act**") and Regulation 19 read along with Part D of Schedule III of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("**The Listing Regulations**") (including any statutory modification(s) or re-enactment(s) thereof for the time being force) and
  - b. in pursuance of the Company's norms-
    - to consider human resources as its invaluable assets,
    - to harmonize the aspirations of human resources consistent with the goals of the company.

### 1.1. PURPOSE OF THE POLICY

- A. The **Key Objectives of the Nomination and Remuneration Committee** are:
  - To guide the Board in relation to **appointment / re-appointment and removal** of Directors and Key Managerial Personnel ("KMP").
  - To **evaluate the performance** of the members of the Board and provide necessary report to the Board for further evaluation.
  - To recommend to the Board on **Remuneration** payable to the Directors and Key Managerial Personnel.
- B. The **Policy ensures** that:
  - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors and Key Managerial Personnel of the quality required to run the Company successfully;
  - Relationship of remuneration to performance is clear and meets appropriate performance benchmark; and
  - Remuneration to Directors and Key Managerial Personnel involves long term performance objectives appropriate to the goals of the Company.

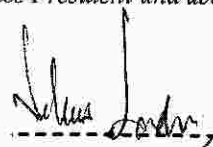
### 1.2. DEFINITIONS

- 1.2.1. "**Board**" means the Board of Directors of the Company.
- 1.2.2. "**Company**" means "**SHREE RAJASTHAN SYNTEX LTD.**"
- 1.2.3. "**Independent Director**" means a director referred to in Section 149 (6) of The Act.
- 1.2.4. "**Key Managerial Personnel**" or "**KMP**" means Key Managerial Personnel of the Company in terms of the Companies Act, 2013 and the Rules made thereunder.
- 1.2.5. "**Nomination and Remuneration Committee**" ("to be referred to as Committee") shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and The Listing Regulations.
- 1.2.6. "**Policy or This Policy**" means, "Nomination and Remuneration Policy."
- 1.2.7. "**Remuneration**" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- 1.2.8. "**Senior Management**" means personnel of the Company who are members of its core management team excluding Board of Directors and KMP. This would include all members of management one level below the executive directors, including all the functional heads.  
(For 'the Company' it includes all the officers appointed at the post of Vice President and above).

  
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 Company Secretary

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 Executive Director

  
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 Managing Director

 14<sup>th</sup> September, 2017

## 2. APPLICABILITY

This Policy is Applicable to:

- 1) Directors (Executive, Non-Executive and Independent)
- 2) Key Managerial Personnel (KMP)
- 3) Senior Management
- 4) Other employees as may be decided by the Board of Directors

## 3. APPOINTMENT & REMOVAL OF DIRECTOR, KMP & SENIOR MANAGEMENT

### 3.1. APPOINTMENT / RE-APPOINTMENT CRITERIA AND QUALIFICATIONS

- 1) Subject to the applicable provisions of the Companies Act, 2013, the Listing Regulations and other applicable laws, if any, the Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment / re-appointment as **Director and KMP** and recommend to the Board his / her appointment / re-appointment.
- 2) The Committee has discretion to decide the adequacy of qualification, expertise and experience for the **concerned position**.
- 3) The Committee shall check whether the prospective **Director and KMP** shall be able to follow the code of conduct of the Company or not.
- 4) The Committee shall identify whether the **Director and KMP** is willing to serve on one or more committees of the Board and also devote such time as necessary for proper performance of his/her duties.
- 5) The Company shall not appoint or continue the employment of any person as **Managing Director / Whole-time Director / Manager** 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 / re-appointment beyond seventy years.
- 6) The Committee shall analyze whether the **Independent Director** being considered is willing to and shall be able to carry out the duties which every independent directors are required to follow.
- 7) A person shall be considered for appointment / re-appointment as an **Independent Director** on the Board of the Company, only if he/she discloses in writing his/her independence in terms of Section 149 of the Companies Act, 2013.
- 8) A whole-time **KMP** of the Company shall not hold office in any other company. However they can be appointed as Director in any Company with the permission of the Board of Directors of the Company.
- 9) The **Senior Management and Other Employees** shall be appointed as per the norms and procedure of the Company and not by the committee.

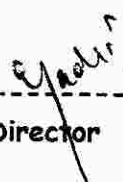
### 3.2. TERM / TENURE

- 1) The Committee shall ensure that the appointment / re-appointment (including tenure) of any **Director** (Executive/ Non- Executive / Independent) is carried out as per rules and regulations listed under the Companies Act, 2013 and Listing Regulations along with other relevant laws.
- 2) The term / tenure of the **KMP, Senior Management and Other Employees** shall be as per the prevailing norms of the Company.

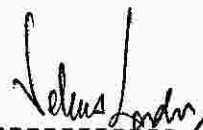


Company Secretary

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Executive Director



Managing Director

14<sup>th</sup> September, 2017

### 3.3. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The company shall familiarize the Independent Directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes.

### 3.4. EVALUATION

- 1) The Committee shall carry out evaluation of performance of every Director including Independent Director at regular interval (yearly) as per the criteria laid down as under

**Participation:**

- Attendance
- Availability
- Time spent
- Preparedness
- Active participation
- Analysis
- Objective discussions
- Probing & testing assumptions

**Knowledge & Skill**

- Industry & Business knowledge
- Functional expertise
- Corporate Laws
- Corporate governance
- Updation & improvement
- Development of Strategy & Long Term Plans
- Inputs in strength area.

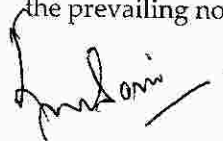
**Others**

- Director's obligation and fiduciary responsibilities
- Quality and value of contributions
- Relationship with other Board Member
- Relationship with Senior Management

- 2) Performance evaluation of the KMP, Senior Management and other employees shall be carried out by their respective Functional Heads / Management and as per the prevailing norms of the Company.

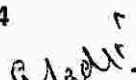
### 3.5. REMOVAL AND RETIREMENT

- 1) Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable laws, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, **removal of a Director and KMP**, subject to the provisions and compliance of the applicable laws, rules and regulations.
- 2) The **Director** shall **retire** as per the applicable provisions of the Companies Act, 2013 or the prevailing norms of the Company, as the case may be.
- 3) The Board will have the discretion to **retain** the **Director** in the same position / remuneration or otherwise, even after attaining the retirement age, in the interest and for the benefit of the Company (provided the same is within provisions of applicable laws).
- 4) The **removal and retirement of KMP, Senior Management and Other Employees** shall be as per the prevailing norms of the Company.



Company Secretary

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Executive Director



Managing Director

14<sup>th</sup> September, 2017

**4. PROVISIONS RELATING TO REMUNERATION OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

The Policy is largely based on industry benchmarks, the Company's performance vis-à-vis the industry, peer group comparison, factors like inflation rate in the country and performance of the employees.

There are various factors to ascertain the remuneration of Whole time Directors, Key Managerial personnel and other Senior Management, which are highlighted here below:

1. Qualification
  2. Knowledge
  3. Experience
  4. Physical Fitness
  5. Loyalty
  6. Self-driven
  7. Potential
- a. **For the Whole Time Directors/ Executive Directors and Key Managerial Personnel**
    - The Nomination & Remuneration Committee shall recommend to the Board, the remuneration (including any revision thereof) of the Whole Time Directors / Executive Directors and KMP, within the maximum limits as set under the Companies Act, 2013, and Rules made thereunder and subject to the approval of the shareholders, as and where applicable.
    - The Company shall pay the remuneration by way of salary, perquisites and allowances (both fixed and variable component) to its Whole time Director / Executive Directors and KMP.
    - Perquisites and retirement benefits are paid according to the Company norms, and applicable laws and regulations.
  - b. **For the Non-Executive Directors and Independent Directors**
    - Non-Executive Directors and Independent Directors shall receive sitting fees for attending the meeting of the Board and for those Board Committees as decided by the Board of Directors.
    - The sitting fees paid to the Non-Executive Directors and Independent Directors is determined periodically & reviewed based on the industry benchmarks.
    - The Nomination and Remuneration Committee shall recommend to the Board, fixation or revision of sitting fees to Non-Executive Directors and Independent Directors, within the maximum limits as set under the Companies Act, 2013, and Rules made thereunder.
  - c. **For the Senior Management and Other Employees**
    - The remuneration of Senior Management and other employees largely consists of basic salary, perquisites, and allowances (both fixed and variable). Perquisites and retirement benefits are paid according to the Company norms.
    - They are also entitled to customary non-monetary benefits such as company car and company health care, telephone & accommodation on case to case to basis according to the Company norms.
    - The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience / merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry and its peer group.
    - Fixation and Revision in the Remuneration of the Senior Management and other employees shall be carried out as per the norms of company and not by the Committee.

  
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Company Secretary

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Executive Director  
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Managing Director14<sup>th</sup> September, 2017

**5. POLICY ON BOARD DIVERSITY**

- The Board of Directors shall have the optimum combination of Directors from different areas/fields of expertise and experience like operations, management, quality assurance, finance, sales and marketing, supply chain, research and development, human resources etc., or as may be considered appropriate.
- In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge.
- The Board shall have at least one member who has accounting or related financial management expertise.
- At least one member of the Board should be a woman.

**6. DISCLOSURES**

The Company shall disclose the Policy on Nomination and Remuneration on its website and the web-link shall be provided in the Annual Report.

**7. AMENDMENT**

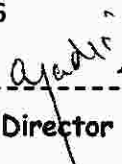
The Board of Directors may review or amend this policy, in whole or in part, from time to time, after taking into account the recommendations from the Nomination and Remuneration Committee.

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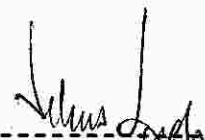


Company Secretary

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Executive Director



Managing Director

14<sup>th</sup> September, 2017