



**SINTERCOM**  
India Ltd.

**REMUNERATION POLICY**

## BACKGROUND

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As per Section 178 of the Companies Act, 2013 and Clause 49 IV of the of the listing Agreement every listed Company is required to Constitute a Nomination and Remuneration Committee comprising of atleast three directors all of whom shall be non-executive directors and atleast half shall be Independent and the Chairman of the Nomination and Remuneration Committee shall be an Independent Director. The said Nomination and Remuneration Committee shall set a policy to formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees, criteria for evaluation of Independent Directors and the Board and policy for Board diversity.

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## QUALIFICATIONS FOR APPOINTMENT OF DIRECTORS

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Subject of the Companies Act, 2013 and all other applicable laws the Company while appointing its Directors shall consider the following:

- The person to be appointed as Director shall be qualified to be appointed as directors.
- The person to be appointed as Director should be a Person of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- The person to be appointed as Director of the Company should possess requisite business literacy/skill.
- The person to be appointed as Director should possess the requisite qualifications to perform his role and to meet the objectives of the Company.
- The person to be appointed as Director should be able to adapt to changes in their industry and quickly make adjustments to operations if need be.
- The person to be appointed as Director should be open to learning.
- The person to be appointed as Director should possess requisite communication skills to execute his task as Director.
- The person to be appointed as Director should possess effective leadership qualities.
- The person to be appointed as Director should possess strong ethics and kindness to treat people with respect.

### **Additional requirements for Independent Directors:**

- In the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- is or was not a promoter of the company or its holding, subsidiary or associate company;
- is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- apart from receiving director's remuneration, he should not have any material pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- none of his relatives shall have any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year; neither he nor his relative shall hold the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years

in which he is proposed to be appointed.

- he along with his relatives should not hold two per cent or more of the total voting power of the company.
  - neither he nor his relative should be a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company
  - neither he nor his relative should be a material supplier, service provider or customer or a lessor or lessee of the company.
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## **POSITIVE ATTRIBUTES OF DIRECTORST**

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- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
  - Actively update their knowledge and skills with the latest developments in the industry, market conditions and applicable legal provisions.
  - Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.
  - To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
  - Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
  - To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.
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## **CRITERIA FOR APPOINTMENT OF KMP/SENIOR MANAGEMENT**

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- Should possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities.
  - Should practice and encourage professionalism and transparent working environment.
  - Should build teams and carry the team members along for achieving the goals/objectives and corporate mission.
  - Should adhere strictly to code of conduct laid down by the Company.
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- Do the Independent directors show willingness to spend time and effort learning about the company and its business?
- Do the Independent directors willing to participate in events outside board meetings such as site visits?
- What has been the quality and value of Independent director's contributions at board meetings?
- What has been their contribution to the development of (i) Strategy and (ii) risk management?
- How successfully the Independent directors brought their knowledge and experience to bear in the consideration of strategy?
- How effectively the Independent directors probe to test assumptions?
- Where necessary, how resolute are they in holding to their views and resisting pressure from others?
- How effectively have they followed up matters about which they have expressed concern?
- How good are their relationship with other board members, the company secretary and senior management?
- How actively and successfully do they refresh their knowledge and skill?
- Are they up-to-date with the latest developments in areas such as the corporate governance framework and financial reporting and in the industry and market conditions?
- How well do they communicate with other board members, senior management and others?
- Can they present their views convincingly, yet diplomatically?
- Do they listen to the views of others?

## **BOARD OF DIRECTORS**

- How well has the board performed against any objective that was set?
- What has been the contribution of the board to the development strategy?
- What has been the contribution of the board to ensuring robust and effective risk management?
- Is the composition of the board and its committees appropriate?
- Do these have the right balance of knowledge and skills to maximize performance?
- Are relationships inside and outside the board working effectively?
- How has the board responded to any problems or crises that arose?
- Could / should these have been foreseen?
- Are the matters specifically reserved for the board the right ones?
- How well does the board communicate with the management team, employees and others?
- How effective is its use of the Annual General Meeting and the annual report?
- Is the board as a whole up to date with the latest developments in the regulatory environment and the market?
- How effective are the board's committees (for example, in their role, their composition and their interaction with the board)?
- Does the board receive the right amount and quality of timely information?
- How well does management respond to request from the board for clarification or additional information?
- Do the board and the board committees hold enough meetings of suitable length to get through their business properly?
- Is time used effectively?
- Is board procedure flexible and is the conducive to effective performance?

## EVALUATION OF PERFORMANCE

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The performance evaluation of independent directors shall be done by the entire Board of Directors (excluding the director being evaluated).

The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management. All the independent directors of the company shall strive to be present at such meeting.

### **The independent directors in the meeting shall, inter-alia:**

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### **DEVIATIONS FROM THIS POLICY**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

### **REVIEW OF THIS POLICY**

The Nomination Committee will review this Policy, as appropriate, to ensure the effectiveness of this Policy.

### **REMUNERATION POLICY**

The Remuneration Policy of M/s. Sintercom India Limited (the “Company”) is designed to attract, motivate and retain manpower in a competitive and international market. The policy reflects the Company’s objectives for good corporate governance as well as sustained long-term value creation for shareholders.

The Remuneration Policy applies to the Company’s senior management, including its Key Managerial Person and Board of Directors.

### **Guiding principles**

- The guiding principle is that the remuneration and the other terms of employment shall be competitive in order to ensure that the Company can attract and retain competent Executives.

The remuneration policy for executives reflects the overriding remuneration philosophy and principles of the Company. When determining the remuneration policy and arrangements for Executive Directors/ KMP’s, the

- Remuneration Committee considers pay and employment conditions with peers in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.

- The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person.

The Remuneration Committee while considering a remuneration package must ensure a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

- The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets.

## REWARD PRINCIPLES AND OBJECTIVES

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The Company's remuneration policy is guided by a common reward framework and set of principles and objectives as more fully and particularly envisaged under section 178 of the Companies Act 2013, inter alia principles pertaining to determining qualifications, positive attributes, integrity and independence etc.

### Reward policies

**Attract and retain:** Remuneration packages are designed to attract high-calibre executives in a competitive global market and remunerate executives fairly. The remuneration shall be competitive and based on the individual responsibilities and performance.

**Motivate and reward:** Remuneration is designed to motivate delivery of key business strategies, create a strong performance-orientated environment and reward achievement of meaningful targets over the short- and long-term.

**The principal terms of non-monetary benefits:** The Executives will be entitled to customary non-monetary benefits such as company car and company health care, communication facilities etc. In addition, in individual cases company housing and other benefits may also be offered.

### Executive Remuneration - Board of Management

Executive remuneration is proposed by the Committee and subsequently approved by the Board of Directors. Executive remuneration is evaluated annually against performance and benchmarked with international companies, are similar to M/s. Sintercom India Limited. Benchmark information is obtained from internationally recognized compensation service consultancies. In determining packages of remuneration, the Committee may take the advice of the Chairman/ Managing Director of the Company.

Further, the Company while deciding the remuneration package of the senior management members takes into consideration the following items:

- (a) employment scenario
- (b) remuneration package of the industry and
- (c) remuneration package of the managerial talent of other industries.

The annual variable pay of senior managers is linked to the performance of the Company in general and their individual performance for the relevant year measured against specific Key Result Areas, which are aligned to the Company's objectives.

The Non-Executive Directors (NEDs) are paid Sitting Fees for attending the meetings, as per the resolution passed by the Board of Directors dated 29th November, 2017. The details of the sitting fees paid to the NEDs are annexed hereunder:

SR No	Nature of Meeting	Sitting Fee (Amount in INR)
1.	Board Meeting	25,000 (Per Meeting per Director)
2.	Committee Meeting	25,000 (Per Meeting per Director)

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to Executive Chairman, Vice-Chairman & Managing Director and the Whole-Time Director. Salary is paid within the range approved by the Shareholders.

Annual increments effective 1st April each year, as recommended by the Remuneration Committee, are approved by the Board. The ceiling on perquisites and allowances as a percentage of salary is fixed by the Board. Within the prescribed ceiling, the perquisites package is approved by the Remuneration Committee. Commission is calculated with reference to net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year based on the recommendations of the Remuneration Committee, subject to overall ceilings stipulated in the Companies Act, 2013 and the rules made thereunder. Specific amount payable to such directors is based on the performance criteria laid down by the Board which broadly takes into account the profits earned by the Company for the year.

## **Disclosure of Information**

Information on the total remuneration of members of the Company's Board of Directors, Executive Board of Management and senior management may be disclosed in the Company's annual financial statements.

## **Approval of the Remuneration Policy**

This Remuneration Policy shall apply to all future employment agreements with members of Company's Senior Management including Key Managerial Personnel and Directors. The Remuneration Policy is binding on the Board of Directors including its provisions on stock options. The Remuneration Policy shall be of guidance for the Board.

## **Dissemination**

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

**SINTERCOM INDIA LIMITED**

**JIGNESH RAVAL**

Managing Director