



NOMINATION AND REMUNERATION POLICY

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1. INTRODUCTION

SIS Limited's Remuneration Policy is designed to attract and retain high quality talent, that gives each of its businesses a unique competitive advantage and enables the Company achieve its objectives. The Remuneration Policy has been formulated in terms of the provisions of the Companies Act, 2013 (“**the Act**”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”).

2. OBJECTIVE AND PURPOSE OF THE POLICY

The objectives and purpose of this policy are:

- (1) To formulate the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of the directors (executive / non-executive)
- (2) To recommend to the Board policies relating to the remuneration of the directors, KMPs and other employees.
- (3) To formulate the criteria for evaluation of performance of all the directors on the Board;
- (4) To devise a policy on Board diversity;
- (5) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;
- (6) To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
- (7) To lay down remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.

3. DEFINITIONS

- (1) ‘**Act**’ means Companies Act, 2013 and the rules framed thereunder as amended from time to time.
- (2) ‘**The Board**’ means Board of Directors of the Company.
- (3) ‘**Directors**’ means Directors of the Company.
- (4) ‘**The Committee**’ means the nomination and remuneration committee of the Company as constituted or reconstituted by the Board, in accordance with the Act.
- (5) ‘**The Company**’ means SIS Limited.
- (6) ‘**Independent Director**’ means a director referred to in Section 149(6) of the Companies Act, 2013 and rules and Regulation 16(1)(b) of SEBI Listing Regulations.

(7) **‘Key Managerial Personnel (KMP)’** means:

- the Managing Director or the Chief Executive Officer or the manager and Whole-time Director;
- the Company Secretary; and
- the Chief Financial Officer.

(8) **‘Senior Management’** means officers/ personnel of the Company who are members of core management team excluding the Board comprising all members of management one level below the managing director / whole time director and specifically includes company secretary and chief financial officer.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 or SEBI Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

4. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

In line with the requirements under the Act and SEBI Listing Regulations, the Board has constituted the Nomination and Remuneration Committee of the Board on April 28, 2014. The Board has authority to reconstitute this committee from time to time.

5. ROLE AND POWERS OF THE COMMITTEE

The roles and the powers of the Committee shall be as under;

- i. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- ii. To formulate the criteria and specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- iii. To formulate the criteria for determining qualifications, positive attributes and independence of a director.
- iv. To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- v. To devise a policy on diversity of board of directors.
- vi. To recommend to the Board, all remuneration, in whatever form, payable to senior management.
- vii. The Committee, while formulating the above policy, should ensure that –

- (a) 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;
 - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) 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 to the working of the Company and its goals.
- viii. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

6. APPOINTMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT

The criteria for the appointment of directors, KMPs and senior management are as follows:

1. The committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as director, KMP or senior management level and recommend to the Board his/ her appointment.
2. A person to be appointed as director, KMP or in senior management 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.
3. A person, to be appointed as director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth, and complementary skills in relation to the other Board members.
4. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a director in any company, with the permission of the Board of the Company.

7. TERM / TENURE

Managerial Personnel

The Company shall appoint or re-appoint any person as its managing director; whole-time director or manager for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.

Independent director

An independent director shall hold office for a term of 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 the 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 five years or more in the Company as on April 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 five years only.

At the time of appointment of an independent director, it should be ensured that the 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/ managing director of a listed company.

Removal

Due to any of the reasons for disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the committee may recommend to the Board with reasons recorded in writing the removal of a director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

Retirement

The Directors, KMP'S 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 Directors, KMP and senior management personnel in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

8. REMUNERATION OF DIRECTORS, KMPS AND OTHER EMPLOYEES.

Remuneration of Directors/ Managing Director/ Whole-time Director or Manager

1. The remuneration / compensation / commission to the Directors/ Managing Director/ Whole-time Director or Manager will be determined by the committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the Directors/ Managing Director/ Whole-time Director or Manager shall be in accordance with the provisions of the Act, and the rules made thereunder.
3. Increments to the existing remuneration/ compensation structure of Directors/ Managing Director/ Whole-time Director or Manager, shall be recommended by the committee to the Board, and approved by the shareholders and subject to the other approvals as may be required.

4. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its managing director; Whole-time Director, non-executive director/Independent director or Manager in accordance with the provisions of Schedule V of the Act or, if it is not able to comply with such provisions, with the prior approval of the Central Government.

Remuneration of KMPs and other employees

The Key Managerial Personnel, Senior Management Personnel and other employees shall be paid remuneration as per the Annual Compensation Review and Restructuring of Bands Policy of the Company as revised through the Annual Performance Management process from time to time.

Remuneration to Non-Executive / Independent Directors

1. All the remuneration of the Non- Executive / Independent Directors shall be subject to ceiling/ limits as provided under the Act and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
2. The Non-executive and Independent Directors will receive remuneration by way of fees for attending meetings of the Board or Committee thereof, provided that such fees shall not exceed the maximum amount as provided in the Act and the rules made thereunder, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
3. Independent directors shall not be entitled to any stock option of the Company.

Insurance

Where any insurance is taken by the Company on behalf of its Directors, KMP's and any other employees for indemnifying them against any liability the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

9. POLICY REVIEW

This policy is formulated in accordance with the provisions of the Act and rules made thereunder. In case of any subsequent changes in the provisions of the Act or any other regulation which makes any of the provisions in the policy inconsistent with the Act or regulations, the provisions of the Act or regulations would prevail over the policy.

This policy shall be reviewed and updated from time to time as necessary to reflect the relevant regulatory changes.