



Nomination And Remuneration Policy

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1. Background

Ceinsys recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel, Senior Management team and other employees etc.

Our policy on the appointment and remuneration of directors and key managerial personnel provides a framework based on which our human resources management aligns their recruitment plans for the strategic growth of the Company.

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and applicable regulation of the Listing Agreement, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

2. Definitions

“Act” means Companies Act, 2013 and rules framed there under as amended from time to time.

“Board of Directors” or Board, in relation to the company, means the collective body of the Directors of the Company.

“Committee” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

“Company” means “Ceinsys Tech Limited.

“Managerial Personnel” means Managerial Personnel or Persons, applicable under section 196 and other applicable provisions of the Companies Act, 2013.

“Policy” or “This policy” means Nomination and Remuneration Policy.

“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.

“Key Managerial Personnel” in relation to a company, means:

- a) *the Chief Executive Officer or the managing director or the manager;*
- b) *the company secretary;*
- c) *the whole-time director;*
- d) *the Chief Financial Officer;*
- e) *such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and*
- f) *such other officer as may be prescribed*

“Senior Management” shall mean key managerial personnel of the Company who have the designation of a senior Vice President and at all levels above the Senior Vice President excluding Board of Directors and shall include Company Secretary and Chief Financial Officer.”

3. Purpose

Pursuant to Section 178 of the Companies Act, 2013 and pursuant to Schedule V of the Companies Act 2013 and applicable regulation of the

listing agreement, the Board of Directors of every listed company shall constitute the Nomination and Remuneration Committee, to guide the Board on various issues on appointment, evaluate performance, remuneration of Directors, Key Managerial Personnel etc.

4. Objectives

This policy is framed with the following objectives:

- 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. Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights.
- d. 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.
- e. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
- f. Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.

- g. Decide the amount of Commission payable to the Whole time Directors, if any.
- h. Review and suggest revision of the total remuneration package of the Key Managerial Personnel and Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
- i. To formulate and administer the Employee Stock Option Scheme.
- j. To promote and develop a high performance workforce in line with the Company strategy.

5. Applicability

This policy is applicable to all Directors, Key Managerial Personnel (KMP), and Senior Management team and such other officer as may be prescribed by Board of Directors of Ceinsys Tech limited (“Company”). Company shall Endeavour not to include any of the business activities undertaken in the normal course of business of the Company within the ambit of CSR activities.

6. NRC Committee Formulation and Structure:

The Board has constituted the “Nomination and Remuneration Committee” (“NRC”) of the Board on 26th July, 2014. This is in line with the requirements under the Companies Act, 2013 (“Act”).

a. Constitution of NRC

This Policy envisages the role and responsibility of the Executive Directors, Constitution of the Nomination and Remuneration Committee, terms of appointment of Managerial Personnel,

Directors, KMPs, remuneration of the Managerial Personnel, KMPs, Stock Options to Managerial Personnel, KMPs, Senior Management, and other employees, evaluation of Managerial Personnel, KMPs, etc.

The Nomination and Remuneration Committee will consist of three or more non- executive directors, out of which at least one-half shall be independent director(s), provided that Chairperson of the Company may be appointed as a member of this Committee but shall not chair such Committee.

The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirements including the LODR. The meeting of Committee shall be held at such regular intervals as may be required to carry out the objectives set out in the Policy.

The Company Secretary shall act as Secretary to the Committee.

b. Appointment of Managerial Personnel, Director, KMP

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Personnel, Director or KMP and recommend to the Board his /her appointment.
- ii. 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.

- iii. Appointment of Independent Directors is also subject to compliance of provisions of section 149 of the Companies Act, 2013, read with Schedule IV and rules there under and the Listing Agreement.

c. Remuneration of Managerial Personnel, KMP

- i. The Remuneration / Compensation / Profit linked Incentive etc. to Managerial Personnel, KMP will be determined by the Committee and recommended to the Board for approval. The Remuneration / Compensation / Profit Linked Incentive etc. to be paid for Managerial Personnel shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- ii. The remuneration and commission to be paid to Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
- iii. Managerial Personnel, KMP shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

- iv. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
- v. If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.
- vi. Increments if declared to the existing remuneration / compensation structure shall be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managerial Personnel.
- vii. Increments if declared will be effective from 1st April of each financial year in respect of Managerial Personnel, KMP, Senior Management subject to other necessary approvals from statutory authorities as may be required.
- viii. Where any insurance is taken by the Company on behalf of its Managerial Personnel, KMP and Senior Management 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.

- ix. Only such employees of the Company and its subsidiaries as approved by the Nomination and Remuneration Committee will be granted ESOPs.

d. Remuneration to Non-Executive Directors

i. Remuneration / Profit Linked Commission:

The remuneration / profit linked commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.

ii. Sitting Fees:

The Non- Executive may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

iii. Stock Options:

Pursuant to the provisions of the Companies Act 2013, and pursuant to the policy if any framed for Employee Stock Options (ESOPs) Scheme, Managerial Personnel, KMP, Senior Management and an employee shall be entitled to any Employee Stock Options (ESOPs) of the Company.

e. Monitoring, Evaluation and removal

i. Evaluation:

The Committee shall carry out evaluation of performance of every Managerial Personnel, Director, KMP on yearly basis.

ii. Removal:

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Managerial Personnel, Director, KMP subject to the provisions of Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

iii. Minutes of Committee Meeting:

Proceedings of all meetings must be recorded in minutes and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting. Minutes of the Committee meeting will be circulated at the subsequent Board meeting for noting.

f. Retirement

Any Director other than the Independent Director, KMP shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

7. Amendment to the Policy

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit. 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, circular(s) etc.

8. Implementation

- a. The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

- b. The Committee may Delegate any of its powers to one or more of its members.

9. Disclosures

The details of this Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Board's Report therein or alternatively the same may be put up on the Company's website and reference drawn thereto in the Annual Report.

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