



# STYLAM INDUSTRIES LIMITED NOMINATION AND REMUNERATION POLICY

## 1. Introduction

Remuneration at Stylam Industries Limited (“**The Company**”) is based on the principles of performance, equitableness and competitiveness. This Nomination & Remuneration Policy has been designed to reflect these principles and to attract, motivate and retain quality manpower for driving the Company successfully.

- 1.1** This Nomination & Remuneration Policy, is based on the requirements of **Section 178** of the Companies **Act, 2013** and subsequent amendment made under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred as ‘**SEBI (LODR) Regulations**’].
- 1.2** This Policy applies to the Board of Directors, Key Management Personnel (KMPs) and Senior Management Personnel (**SMPs**) of the Company.

## 2. Objectives

**2.1** The objectives of this Policy are:

- a) Formulation of the criteria for determining qualifications, positive attributes of Directors, KMPs and SMPs and also independence of Independent Directors;
- b) Aligning the remuneration of Directors, KMPs and SMPs with the Company’s financial position, remuneration paid by its industry peers etc.;
- c) Performance evaluation of the Board, its Committees and Directors including Independent Directors;
- d) Ensuring Board diversity;
- e) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down;

## 3. Definitions

“**Act**” means the Companies **Act, 2013**.

“**Board**” means Board of Directors of the Company

“**Director**” means Director as defined under **Section 2(34)** of the Companies **Act, 2013**.

“**Committee**” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time in accordance with the provisions of Companies Act, 2013 and **SEBI (LODR) Regulations**.

“**Company**” means Stylam Industries Limited (Stylam).

“**Independent Director**” means a director referred to in **Section 149(6)** of the Companies **Act 2013** read with SEBI (LODR) Regulations.

“**Key Managerial Personnel**” (**‘KMP’**), means:

- (i) The Chief Executive Officer or the Managing Director or the Manager;
- (ii) The Company Secretary;
- (iii) Any Whole-Time Director;
- (iv) The Chief Financial Officer; and
- (v) Such other officer as may be prescribed under the Companies Act, 2013, as amended from time to time

“**Senior Management Personnel**” (**‘SMP’**) means the members of the Executive Committee (EXCOM) of the Company, excluding Whole Time Directors and shall specifically include CFO and CS.

#### **4. Guiding Principles**

The Company shall follow the following guiding principles in order to attract, motivate and retain talent in the Company:

- 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 benchmark

#### **5. Criteria For Determining The Following Qualifications For Appointment Of Directors (Including Independent Directors)**

- a. Persons of eminence, standing and knowledge with significant achievements in business, professions and / or public service.
- b. Their financial or business literacy / skills.
- c. Appropriate other qualification / experience to meet the objectives of the Company.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidates.

#### **6. Positive Attributes of Directors (Including Independent Directors)**

- a. Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- b. Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.
- c. 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.
- d. 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.
- e. To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.
- f. Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

#### **7. Positive Attributes for Appointment of KMP/ Senior Management**

- a. To possess the required qualifications, experience, skills and expertise to effectively discharge their duties and responsibilities.
- b. To practice and encourage professionalism and transparent working environment.
- c. To build teams and carry the team members along for achieving the goals / objectives and corporate mission.
- d. To adhere strictly to code of conduct.

#### **8. Policy Relating to Remuneration of Directors, KMP And Senior Management Personnel**

- a. To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- b. No director / KMP/ other employee is involved in deciding his or her own remuneration.
- c. The trend prevalent in the similar industry, nature and size of business is kept in view and given due weightage to arrive at a competitive quantum of remuneration.

- d. It is to be ensured that relationship of remuneration to the performance is clear and meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- e. Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- f. Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short- and long-term performance objectives appropriate to the Company's working and goals.
- g. Following criteria are also to be considered:
  - Responsibilities and duties;
  - Time and efforts devoted;
  - Value addition;
  - Profitability of the Company and growth of its business;
  - Analyzing each and every position and skills for fixing the remuneration yardstick;
  - Standards for certain functions where there is a scarcity of qualified resources;
  - Ensuring tax efficient remuneration structures;
  - Ensuring that remuneration structure is simple and that the Cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.
  - Other criteria as may be applicable.
- h. Consistent application of remuneration parameters across the organization;
- i. Provisions of law with regard making payment of remuneration, as may be applicable, are complied.
- j. Whenever, there is any deviation from the Policy, the justification / reasons should also be indicated / disclosed adequately.

## 9. Review

The policy shall be reviewed by the Nomination and Remuneration Committee and the Board, from time to time as may be necessary.