

# REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

## STYRENIX PERFORMANCE MATERIALS LIMITED

Version 2                      February 2022

Authorised by                Nomination and Remuneration Committee & Board of Directors

Approved on February 09, 2022

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## 1. Introduction:

Styrenix Performance Materials Limited (“the Company”) recognizes the importance of aligning the business objectives with specific and measurable individual Key Performance Indicators (‘KPIs’). The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

- i) Ensuring that the level and structure of remuneration is reasonable and attractive to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- ii) Ensuring that remuneration levels are broadly comparable with the industry benchmark while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in the business.
- iii) Ensuring that the remuneration 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.

## 2. Scope and Exclusion:

This Policy sets out the guiding principles for the remuneration of the directors, key managerial personnel and other employees of the Company.

## 3. Terms and references:

In this Policy, the following terms shall have the following meanings:

- a. **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- b. **Board** means Board of Directors of the Company.
- c. **Director** means a director appointed on the Board of the Company.
- d. **Committee** means Nomination and Remuneration Committee constituted or reconstituted by Company’s Board, in accordance with the Act and applicable Listing Regulations.
- e. **Key Managerial Personnel (‘KMP’)** means:
  - (i) Chief Executive Officer or Managing Director;
  - (ii) Whole-time director;
  - (iii) Chief Financial Officer;
  - (iv) Company Secretary; and
  - (v) Such other officer as may be prescribed by Ministry of Corporate Affairs from time to time.

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

## 4. Key principles governing this remuneration policy:

### Remuneration for independent directors and other non- executive directors

- Independent directors (“IDs”) and Non-executive directors (“NED”) may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within statutory limits.
- Within the parameters prescribed by law, the payment of sitting fees and commission will be approved by the Board.
- Quantum of sitting fees may be subject to review on a periodic basis, as may be required.
- The Board shall determine the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- In addition to the sitting fees and commission, the Company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board / Board committee meetings, general meetings, court convened meetings, meetings with shareholders / creditors / management, site visits, induction and training (organized by the Company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.

#### **Remuneration for Managing Director & Whole-time Director/s:**

- The remuneration to Managing Director and Whole-time Director(s) shall be recommended by the Committee to the Board. The remuneration shall comprise of fixed compensation and variable compensation and shall be paid as salary, perquisites and allowances, performance bonus and long-term incentive, as approved by the Board and within the overall limits specified in the Shareholders’ resolution.
- The Company shall provide retirement benefits to Managing Director and Whole-time Director(s), as applicable
- While the fixed compensation is determined at the time of their appointment, the variable compensation will be determined annually by the Committee based on their individual performance and Company’s performance, in accordance with Company’s policies.

#### **Remuneration for Key Managerial Personnel (KMP):**

- The terms of remuneration of Chief Financial Officer (CFO) and the Company Secretary, who is in whole time employment, designated by the Board as KMPs, shall be determined by the Committee from time to time.
- The remuneration shall be consistent with the competitive position of the salary for similar positions in the industry and their qualifications, experience, roles and responsibilities.
- Pursuant to the provisions of Section 203 of the Act, the Board shall approve the remuneration at the time of their appointment.

### **Remuneration for other employees:**

- The Company follows a differential approach in choosing the tools for benchmarking, depending upon the employee level in the organization. The Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization.
- Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.
- The Company shall have a CTC (Cost to Company) remuneration structure for its employees, which will include a fixed component (Guaranteed Pay) and a variable component (Performance Pay). The percentage of the variable component will increase with increasing hierarchy levels, as the Company believes that employees at higher positions have a far greater impact and influence on the overall business result. The CTC will be reviewed once every year and the compensation strategy for positioning of individuals takes into consideration the following elements:
  - Performance
  - Potential
  - Criticality
  - Longevity in grade
- Remuneration for the new employees other than KMPs shall be decided by the Human resources Dept., in consultation with the concerned business unit head at the time of hiring, depending upon the relevant job experience, last compensation and the skill-set of the selected candidate.

### **5. Policy implementation**

The Nomination and Remuneration Committee is responsible for recommending the remuneration policy to the Board. The Board shall approve and oversee the implementation of the remuneration policy.

### **6. Review of Policy**

The Committee will review the policy from time to time and make recommendations on any required changes to Board for consideration and approval. In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

### **7. Disclosure of the Policy**

This policy will be available on the website of the Company [www.styrenix.com](http://www.styrenix.com) in the Corporate Governance section.