

SYSTEMATIX SECURITIES LIMITED

Remuneration Policy

1. Introduction

The Company considers human resources as invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of Section 178 of the Companies Act, 2013 and the listing agreement in order to pay equitable remuneration to the Directors, KMPs and employees of the Company and to harmonise the aspirations of human resources consistent with the goals of the Company.

2. Objective and purpose of the policy

The objectives and purpose of this policy are:

- 2.1 To formulate the criteria for determining qualifications, Competencies, positive attributes and Independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- 2.2 To formulate the criteria for evaluation of performance of all the Directors on the Board;
- 2.3 To devise a policy on Board diversity; and
- 2.4 To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's goals.

3. Constitution of the Nomination and Remuneration Committee

The Board has constituted the "Nomination and Remuneration Committee of the Board on May 29, 2014.

This is in line with the requirements under the Companies Act, 2013 ("Act").

The Board has authority to reconstitute this Committee from time to time.

4. Definitions

"Board" means Board of Directors of the Company.

"Directors" means Directors of the Company.

"Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted

by the Board, in accordance with the Act and applicable listing agreements and/or regulations.

"Company" means "Systematix Securities Limited"

"Independent Director" means a Director referred to in Section 149(6) of the Companies Act, 2013 and rule

"Key Managerial Personnel (KMP)" means-

- i) the Managing Director or the Chief Executive Officer or the manager and in their absence, a whole-time Director;
- i) the Company Secretary; and
- ii) the Chief Financial Officer

Senior Management means personnel of the company who are members of its core management excluding Board or Directors comprising all members of management one level below the Executive Directors, including the functional heads.

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

5. Appointment and Removal of Director, KMPs and Senior Management

Appointment criteria and qualifications:

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 senior management level 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. The Company shall not appoint or continue the employment of any person as Managing Director/ Executive Director who has attained the age of sixty years and shall not appoint Independent Director who has attained the age of seventy years. Provided that the term of the person holding this position maybe extended at the discretion of the committee beyond the age of sixty years/seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond sixty years/Seventy years as the case may be.
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 Directors of the Company.

Term / Tenure

1. Managing Director / Whole-time Director

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director

An Independent Director shall hold office for a term 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 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 another 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.

Removal

Due to reasons for any 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, removal of a director or KMP Subject to the provisions and compliance of the said Act, rules and regulations.

6. Remuneration for Directors, KMPs and other employees

1. The remuneration / compensation/ commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.

2. The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.

3. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director.

Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary 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

7. Minimum remuneration to Managing Director

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director 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 previous approval of the Central Government.

8. Stock options

The Independent Directors shall not be entitled to any stock option of the Company.

9. Policy Review

This policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of the clause 49 of the Equity Listing Agreement with the Stock Exchanges.

10. Amendment in Law

In case of any subsequent changes in the provisions of the Companies Act, 2013 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.