



SYSCHEM (INDIA) LIMITED

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Introduction

Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (erstwhile Clause 49 of the Listing Agreement), together with Guiding Principles set out therein, require the Nomination and Remuneration Committee ('NRC') to recommend to the Board a policy in respect of selection, appointment, performance evaluation and removal of Independent Directors and other Directors, including whole time directors, Key Management Personnel ('KMP') and other senior management, and a policy of remuneration to them. Accordingly, as proposed by the NRC and in order to formalize the Company's current and ongoing policy and practices for the above-mentioned objectives in a more structured manner, the Board sets out a policy framework as under.

General

The composition of the Board of Directors, the appointment of Directors, their number, duration of appointment, their remuneration and their removal, where appropriate, will always be in accordance with the Companies Act and any other applicable law, the Listing Agreement and the Memorandum & Articles of Association.

The Company will continue its policy of non-discrimination on grounds of race, ethnicity, language and religion or caste in appointment, promotion and remuneration of employees.

NRC will monitor the policy and processes as set out herein on behalf of the Board.

Composition of the Board

The Board is composed of Independent Directors and other Directors, both men and women, with diverse experience in different industries and professions, both in India and other countries, Managing Director and whole-time directors holding executive positions in the Company with relevant expertise and experience. The process of appointment is transparent backed by appropriate documentation.

Independent Directors

The law and good governance require the Company to appoint a third of its members of the Board (as defined in the Companies Act) to be independent.

Principal criteria for selecting an independent director are that he/she:

- must have considerable experience in business, industry, professions, government or industry/finance related institutions in India and/or other countries;
- has no conflict of interest, including any material or pecuniary interest, except for Sitting fee received as approved by law and/or shareholders;
- has the ability to evaluate and advise on strategy and business of the Company
- has the ability to challenge and evaluate performance of the management, financial performance and risks in the business;

- has the ability to relate and advise on the effects of macro level economic, industrial and development environment and developments, including government policies, on the Company's affairs and management of its business.

The sitting fee of Independent Directors will be determined by the Board on the Recommendation of Nomination and Remuneration Committee. The maximum term of appointment of an Independent Director is determined by law and as approved by the Shareholders. Performance of an Independent Director is evaluated annually by the Board, excluding the director being evaluated, according to the evaluation criteria set by the Board.

Performance evaluation for an Independent Director is principally based on the following factors:

S. No	Particulars
1	Attendance at meetings of the Board, Committees of which he / she is a member and of Shareholders
2	Compliance with the Code of Conduct;
3	Constructive participation in the proceedings of the Board and Committees;
4	Evaluation and advice relating to the Company's performance, both financial and commercial;
5	Awareness of the Company's operations and organization, applicable corporate and other major laws and regulations, fiduciary responsibilities and matters relating to Stock Exchanges, SEBI and corporate governance generally;
6	Adherence to independence, no-conflict of interest and protection of interests of stakeholders.

Other Directors

The Board may invite any person to join as member who may not qualify as Independent Director and is not an employee of the Company. For the sake of clarity and only for this policy framework such director is referred herein as 'non-executive director' (NED).

The criteria of selection of NED may include, among others, expertise or specialized knowledge in one or more areas of the Company's activities, knowledge of similar or related activities gained in the business of the promoter, technology provider or other business associate.

The duration of the term of appointment, remuneration and removal of NED is at the absolute discretion of the Board, but always according to law and the Listing Agreement, and under no circumstance can the remuneration to a NED exceeds that of any Independent Director.

Performance of an NED is evaluated annually by the NRC and the Board, excluding the director being evaluated, according to the evaluation criteria set by the Board.

Performance evaluation for an NED is principally based on the same factors as for Independent Directors and, in addition, on his/her contribution in respect of the specific areas of expertise and knowledge where applicable.

Remuneration of NED, where payable, is recommended by NRC on a case-by-case basis.

Key Managerial Personnel ('KMP')

The Company comprises of:

- Managing Director
- Whole time Director
- Chief Financial Officer
- Company Secretary

Managing Director

Appointment of the Managing Director is made by the Board on the recommendation of NRC.

Criteria for selection of Managing Director are knowledge of the business of the Company, experience in that business or any related business, leadership qualities, incisive understanding of the market, understanding socio-economic and political in which the Company operates and effects thereof on the Company's policies and operations, objective setting and implementation of such objectives, ability to interact with the Board, ability to communicate effectively with employees, shareholders and other stakeholders and other publics.

Remuneration of Managing Director is determined by the Board on recommendation of NRC and approved by Shareholders and / or Central Government as required by law. While recommending remuneration payable NRC will consider, inter alia the factors as set out below for evaluation of performance.

Evaluation criteria for CEO's performance are: development and implementation of the Company strategy, achievement of short- and long-term plans, overall financial performance of the Company, effectiveness of management controls and systems in the Company, demonstrated communication skills and continued assessment of the effectiveness of organization structure, and protection of the Company's wealth and good standing.

Whole-time Director

NRC in consultation considers and recommends to the Board the appointment of a whole-time director from amongst the KMP and Senior Management.

Criteria for such selection and appointment as a director principally are:

S. No	Particulars
1	The need felt by the Board for expertise and experience of the individual to be available for Board deliberations as a member.
2	As a reward/promotion for especially good performance and contribution to the Company's business.

Remuneration of a whole-time director is determined by the Board on recommendation of NRC and approved by Shareholders and / or Central Government as required by law. While recommending remuneration payable, NRC considers the remuneration structure for senior management and additional responsibilities as a member of the Board

Performance evaluation of a whole-time director is made by NRC on his performance at the Board on criteria similar to that set out for NED.

Remuneration of NED, where payable, is recommended by NRC on a case-by-case basis.

Evaluation of Board as whole

The Nomination and Remuneration Committee shall formulate the criteria for evaluation of the performance of the Board as a whole. The annual evaluation of the Board shall be undertaken to assess the effectiveness of its functioning and discharge of its responsibilities.

The evaluation shall, inter alia, consider the following factors:

- Composition of the Board, including an appropriate mix of skills, experience, expertise, diversity and independence.

- Effectiveness of the Board's processes, deliberations and decision-making.
- Quality and timeliness of information provided to the Board.
- Oversight of strategy formulation and implementation.
- Monitoring of financial performance, internal controls and risk management systems.
- Effectiveness in ensuring compliance with applicable laws, regulations and governance requirements.
- Succession planning for Directors and Key Managerial Personnel.
- Effectiveness of Board Committees and their reporting to the Board.
- Protection of stakeholders' interests and promotion of ethical business conduct.
- Overall contribution of the Board towards achieving the Company's objectives and enhancing long-term shareholder value.

The evaluation shall be carried out annually in such manner as may be determined by the Nomination and Remuneration Committee and approved by the Board in accordance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, as amended from time to time.

Evaluation of Board Committee

The Nomination and Remuneration Committee shall formulate the criteria for evaluation of the performance of the Committees of the Board. The performance evaluation of each Committee shall be conducted annually to assess its effectiveness in discharging the duties and responsibilities entrusted to it by the Board and under applicable laws.

- Appropriateness of the Committee's composition, including the mix of skills, expertise and independence of its members.
- Effectiveness in fulfilling the roles, responsibilities and terms of reference assigned to the Committee.
- Adequacy and frequency of meetings held during the year.
- Quality of deliberations and decision-making process.
- Timeliness and effectiveness of recommendations made to the Board.
- Level of participation and contribution of Committee members.
- Effectiveness in monitoring matters delegated by the Board.
- Compliance with applicable statutory, regulatory and governance requirements.
- Coordination and communication with the Board and management.
- Overall effectiveness of the Committee in contributing to the Company's governance framework and objectives.

The evaluation shall be undertaken annually through such mechanism as may be approved by the Nomination and Remuneration Committee and the Board, and the results thereof shall be considered for improving the effectiveness of the Committees.

Noted: Adopted in the Board Meeting dated 25th of May, 2026