



Ref: Syn/CS/SE/Reg 30/2023-24/Apr/05

Syngene International Limited
Biocon SEZ, Biocon Park, Plot No. 2 &
3, Bommasandra Industrial Area, IV
Phase, Jigani Link Road, Bengaluru
560 099, Karnataka, India
T +91 80 6891 8000
F +91 80 6775 8808
CIN: L85110KA1993PLC014937
www.syngeneintl.com

April 15, 2023

To, The Manager, BSE Limited Corporate Relationship Department Dalal Street, Mumbai – 400 001	To, The Manager, National Stock Exchange of India Limited Corporate Communication Department Bandra (EAST), Mumbai – 400 051
Scrip Code: 539268	Scrip Symbol: SYNGENE

Dear Sir/Madam,

Subject: Intimation of Frequently Asked Questions (FAQs)/Clarifications on the proposed LTI plans

Ref.: Postal Ballot Notice dated March 22,2023

This is further to our Letter no. Syn/CS/SE/Reg 30/2022-23/Mar/07 dated March 24, 2023 related to the intimation of Postal Ballot Notice dated March 22, 2023. We are hereby enclosing FAQs/ Clarifications on the proposed resolutions seeking approval of the members on the Long Term Incentive (LTI) Plans viz. Syngene Long Term Incentive Performance Share Plan 2023 and Syngene Long Term Incentive Outperformance Share Plan 2023.

The above information will also be made available on the website of the company at <https://www.syngeneintl.com/investors/stock-exchange-disclosures/>

Kindly take the above information on record and acknowledge.

Thanking You,

Yours faithfully,

For **SYNGENE INTERNATIONAL LIMITED**

PRIYADARSHI
NI
MAHAPATRA

Digitally signed by PRIYADARSHI NI MAHAPATRA
DN: cn=PRIYADARSHI NI MAHAPATRA, o=Syngene International Limited, ou=Syngene International Limited, email=priyadarshini@syngeneintl.com, c=IN
Date: 2023.04.15 11:46:32 +05'30'

Priyadarshini Mahapatra
Company Secretary and Compliance Officer

Sl. No.	Query/concern	Management Response
1.	<p>Discretion given to the Nomination and Remuneration Committee to accelerate vesting of stock units granted to employees, on a case-by-case basis</p>	<p>The vesting schedule has been clearly stated in the respective plans, as well as, in point no. 4 of the explanatory statement to Items 1 to 4 of the postal ballot notice.</p> <p>The discretion of the Nomination & Remuneration Committee to accelerate the vesting schedule is applicable only under 2 extraordinary and unpredictable circumstances, namely:</p> <p>(i) Death or permanent incapacitation of an employee: The PSUs, in such cases, will vest in the employee or the legal heir or nominee on the date of death or permanent incapacitation, as the case may be, as per the SEBI Regulations, stated below*. (* As per the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, in case of death or permanent incapacitation of an employee, the shares will vest in the employee or the legal heir or nominee, on the date of death or permanent incapacitation, as the case may be.)</p> <p>(ii) Employee joining mid-term: In case an employee is hired mid-term, either from a Biocon Group company or from outside, and if her/his terms of compensation include a component of LTI, the Nomination & Remuneration Committee may, on merit and as an exceptional case, decide to accelerate the vesting schedule to compensate for any loss in remuneration on account of the timing of transfer or joining. Moreover, as stated in the rules, such accelerated vesting will meet the minimum one-year requirement between grant and vesting.</p>
2.	<p>The scheme permits PSUs to be issued with an exercise price at a deep discount to the market price, as on the grant date:</p>	<p>Consistent with the standard industry practice, PSUs are performance-based, generally issued at zero or face value and form part of the overall employee compensation package, which is benchmarked to the market. The PSUs vest in employees only upon meeting or surpassing pre-determined milestones or benchmarks and form a significant proportion of the compensation of the senior leadership team</p>
3.	<p>The exact performance conditions and targets for vesting have not been disclosed under the Syngene Long-Term Incentive Performance Share Plan 2023</p>	<p>The performance conditions and targets are presented to the Board by the Management and approved by the Board. For competitive reasons, this information is usually not published externally.</p>

4.	The exact revenue target for vesting has not been disclosed under the Syngene Long Term Incentive Outperformance Share Plan 2023.	The targets are presented to the Board by the Management and approved by the Board. For competitive reasons, this information is usually not published for externally
5.	The proposal includes grant of stock options to employees of holding companies	<p>For ample clarity, the proposal does not include grant of stock options but relates to granting of performance share units.</p> <p>This pertains to shared resources i.e., when a group employee is deployed between the holding company and Syngene, with clearly defined responsibility for each. In such an instance, the respective employee's compensation is also shared based on the proportion of time devoted to Syngene. Part of that overall compensation can also be through grant of PSUs under the Plans. The PSUs will be linked to the achievement of the pre-determined goals/targets and will form a part of the employee's total compensation package.</p>
6.	What is the difference between the performance plan and the outperformance plan? Which employees are eligible for each?	<p>The Performance Share Plan is a rolling 3-year plan that covers the MD & CEO, other members of the Senior Management and individuals in business-critical roles as approved by the Nomination & Remuneration Committee.</p> <p>The Outperformance Share Plan entails a one-time payout, subject to achieving a revenue target materially in excess of the Board approved Business Plans. The Outperformance Share Plan covers the MD&CEO, members of the Executive Committee and any other employees in key leadership roles, as approved by the Nomination & Remuneration Committee.</p>
7.	Discretionary power given to MD & CEO and CHRO under the Long-Term Incentive Performance Share Plan - <i>"the decision of the MD & CEO and CHRO shall be final and binding in determining actual number of PSUs to be vested to all Grantees other than the Senior Management"</i>	<p>This clause refers only to the number of units for vesting and not to grants, for employees other than senior management. The power to grant PSUs to all employees rests solely with the Nomination & Remuneration Committee.</p> <p>The actual number of PSUs to be vested (i.e. the number of PSUs to be given), for each eligible employee are linked to the achievement of pre-determined targets for the respective employee.</p> <p>The Nomination & Remuneration Committee will review the performance of Senior Management and decide the number of PSUs to vest in Senior Management. The performance evaluation for the remaining employees will be done in accordance with the established performance management process and the MD&CEO and CHRO will have the responsibility to decide the actual number of shares to be vested for such employees.</p>