

## **NOMINATION AND REMUNERATION POLICY**

### **1. PREAMBLE**

Techindia Nirman Limited ("TNL" or "The Company"), believes that an enlightened Board consciously creates a culture of leadership to provide a long- term vision and policy approach to improve the quality of governance.

Towards this, the Company ensures Constitution of a Board of Directors with an appropriate Composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively. TNL recognizes the importance of Independent Directors in achieving the effectiveness of the Board. TNL aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

The Company also recognizes the importance of aligning the business objectives with specific and measureable individual objectives and targets. The Company has therefore, in compliance with Section 178 of the Companies Act, 2013 read with the applicable Rules thereto and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 formulated the Remuneration Policy for its Directors, Key Managerial Personnel and Senior Management.

### **2. OBJECTIVE**

The Key Objectives of the Policy would be:

- a) To attract, motivate and retain the Directors, KMP and Senior Management who are the drivers of organization success and help to run the Company successfully and to retain our industry competitiveness.
- b) To ensure the Composition of the Board, to ensure that there is an appropriate mix of abilities, experience and diversity to serve the interests of all Shareholders and the Company.
- c) To Ensure that 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;
- d) To ensure that the Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- e) To ensure that the Remuneration to Directors, Key Managerial Personnel and Senior Management 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.

### **3. DEFINITIONS**

**"Board"** means the Board of Directors as defined under the Companies Act, 2013.

**"Company"** means Techindia Nirman Limited.

**“Employees’ Stock Option”** means the option given to the Directors, Officers or Employees of a Company or of its Holding Company or Subsidiary Company or Companies, if any, which gives such Directors, Officers or Employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.

**“Independent Director”** means a Director referred to in sub-section (6) of Section 149 of The Companies Act, 2013 and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**“Key Managerial Personnel”** means:

- (i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole Time Director;
- (ii) Company Secretary; and
- (iii) Chief Financial Officer
- (iv) Such other officer as may be prescribed.

**“Nomination and Remuneration Committee”** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.

**“Policy or This Policy”** means, “Nomination and Remuneration Policy.”

**“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

**“Senior Management”** means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional heads.

#### **4. INTERPRETATION**

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.

#### **5. SCOPE OF THE POLICY/GUIDING PRINCIPLES**

The Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as Independent Directors of the Company and also for recommending to the Board the Remuneration of the Directors, Key Managerial Personnel and Senior Management of the Company.

#### **6. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP 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 at Senior Management level and recommend to the Board his / her appointment.
2. A person 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 are sufficient / satisfactory for the concerned position.
3. In evaluating the suitability of individual Board members, the Nomination and Remuneration Committee may take into account factors, such as:
  - General understanding of the Company's business dynamics, Global business and social perspective;
  - Educational and professional background Standing in the profession;
  - Personal and professional ethics, integrity and values;
  - Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.
4. The Company shall not appoint or continue the employment of any person as Managing Director/ Whole Time Director/ Manager who has attained the age of Seventy five years. Provided that the term of the person holding the said position(s) may be extended beyond the age of Seventy five 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 Seventy five years.

**Criteria of Independence:**

The Nomination and Remuneration Committee shall assess the independence of Directors at the time of appointment / reappointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

The Nomination and Remuneration Committee shall consider the criteria, as laid down in Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in order to determine the independence of a Director.

**Other Directorships:**

The Board Members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other Listed Public Limited Companies in such a way that it does not interfere with their role as Directors of the Company. The Nomination and Remuneration Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.

A Director shall not serve as an Independent Director in more than Seven (7) Listed Companies and not more than Three (3) Listed Companies in case he is serving as a Whole-time Director in any Listed Company.

A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all Companies in which he holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other Companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

**Term / Tenure:**

**1. Managing Director/ Whole Time Director/ Manager (Managerial Person):**

The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding Five years at a time. No re-appointment shall be made earlier than One year before the expiry of the 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 any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years or more in the Company as on October 01, 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 5 years only.

**Evaluation:**

The Nomination and Remuneration (NR) Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience that is relevant for the Company's operations.

**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, KMP or Senior Management subject to the provisions and compliance of the said Act, Rules and Regulations.

**Retirement:**

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**7. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT.**

**General:**

1. The Remuneration/ Compensation/ Commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The Remuneration/ Compensation/ Commission etc. shall be subject to the prior/ post approval of the Shareholders of the Company and Central Government, wherever required.
2. The Remuneration and Commission to be paid to Managerial Person shall be as per the Statutory Provisions of the Companies Act, 2013, and the Rules made thereunder for the time being in force.
3. Increments to the existing Remuneration/ Compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP, Senior Management and any other Employee 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.

**Remuneration to Managerial Person, KMP and Senior Management:**

**1. Fixed Pay:**

Managerial Person, KMP and Senior Management shall be eligible for a Monthly Remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the Statutory Provisions of the Companies Act, 2013, and the Rules made thereunder for the time being in force. The break-up of the pay scale and quantum of Perquisites including, Employer's Contribution to Provident Fund, Pension Scheme, Medical Expenses, Club Fees etc.

shall be decided and approved by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.

## 2. Minimum Remuneration:

If, in any Financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person 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 prior approval of the Central Government.

## 3. Provisions for Excess Remuneration:

If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

## **Remuneration to Non-Executive / Independent Director:**

### 1. Remuneration / Commission:

The Remuneration/ Commission, if any, shall be in accordance with the Statutory Provisions of the Companies Act, 2013, and the Rules made thereunder for the time being in force.

### 2. Sitting Fees:

The Non-Executive / Independent Director may receive Remuneration by way of fees for Attending Meetings of Board or Committee(s) thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per Meeting of the Board or Committee(s) or such amount as may be prescribed by the Central Government from time to time.

### 3. Limit of Remuneration /Commission:

Remuneration/ Commission, if any, may be paid within the monetary limit approved by Shareholders, subject to the limit not exceeding 1% of the Net Profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

### 4. Travel and Other Expenses:

Travel Cost and other out-of-pocket expenses, if any, incurred by the Independent Director / Non-Executive Director for attending the Board & Committee Meetings, may be reimbursed by the Company.

## **8. DISSEMINATION**



The Nomination and Remuneration Policy of the Company shall be published on its Website.

## **9. AMENDMENT IN LAW**

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

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