

REMUNERATION POLICY OF



**FOR THE BOARD OF DIRECTORS,
KEY MANAGERIAL PERSONNEL AND
SENIOR MANAGEMENT PERSONNEL**

1. PREAMBLE

- a. The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors (“Board”), Key Managerial Personnel (“KMP”) and the Senior Management Personnel (“SMP”) of the Company (collectively referred to as “**Executives**”) alongwith their relatives. The expression “senior management” means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
- b. The policy will be reviewed every year by the **NOMINATION AND REMUNERATION COMMITTEE** of the Board of Directors.

2. AIMS & OBJECTIVES

The aims and objectives of this remuneration policy may be summarized as follows:

- a. The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and other executive level.
- b. The remuneration policy seeks to enable the company to provide a well-balanced and performance-related compensation package, taking into account shareholder’s interests, industry standards and relevant Indian corporate regulations.
- c. The remuneration policy will ensure that the interests of Board members & senior executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.
- d. The remuneration policy will ensure that 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.
- e. Remuneration of employees largely consists of basic remuneration, perquisites, allowances and performance incentives. The components of remuneration vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by him, his individual performances, etc. The annual variable pay of senior managers is linked to the Company’s performance in general and their individual performance for the relevant year is measured against specific major performance areas which are closely aligned to the Company’s objectives.
- f. Based on the recommendation of the Committee, remuneration by way of commission to the Non-Executive Directors is to be decided by the Board of Directors, and distributed to them based on their participation and contribution at Board/certain Committee meetings as well as time spent on matters other than at meetings.
- g. The Company does not have a stock option scheme for its Executive Directors, KMP and employees.
- h. The Policy shall be disclosed in Board’s Report.

3. COMMENCEMENT

This remuneration policy governs Policy relating to directors’ appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a

director and other matters provided under sub-section (3) of section 178 commences on or after 1st April, 2014.

4. PRINCIPLES OF REMUNERATION

The objective of the remuneration policy is to enable the Company to attract, motivate, and retain qualified industry professionals for the Board of Management and other executive level in order to achieve the Company strategic goals. The remuneration policy acknowledges the internal and external context as well as the business needs and long term strategy. The policy is designed to encourage behaviour that is focused on long-term value creation, while adopting the highest standards of good corporate governance. The policy is built on the following principles:

- i. **Vision And Strategy-** Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.
- ii. **Transparent** –The policy and its execution are clear and practical.
- iii. **Aligned within the company's objectives** – The remuneration policy is aligned with the company's short term and long term objectives, compatible with those of management and other employees.
- iv. **Long-term orientated** – The incentives focus on long-term value creation.
- v. **Compliant** – Company adopts the highest standards of good corporate governance.
- vi. **Simple** – The policy and its execution are as simple as possible and easily understandable to all stakeholders.
- vii. **Internal equity-** The Company shall remunerate the board members, KMP and senior management in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- viii. **External equity-** The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.
- ix. **Flexibility-** Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.
- x. **Performance-Driven Remuneration-** The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System.

- xi. **Affordability and Sustainability**- The Company shall ensure that remuneration is affordable on a sustainable basis.

5. DEFINITIONS

- a. **“Board of Directors”** or **“Board”**, in relation to a company, means the collective body of the directors of the company;
- b. **“Chief Executive Officer”** means an officer of a company, who has been designated as such by it;
- c. **“Company Secretary”** or **“Secretary”** means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under this Act;
- d. **“Chief Financial Officer”** means a person appointed as the Chief Financial Officer of a company;
- e. **“Director”** means a director appointed to the Board of a company;
- f. **“Senior Management”** means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads
- g. **“Key Managerial Personnel”**, in relation to a company, means—
- i. the Chief Executive Officer or the managing director or the manager;
 - i. the whole-time director;
 - ii. the company secretary; and
 - iii. the Chief Financial Officer; or
 - iv. such other officer as may be prescribed;
- h. **“Manager”** means an individual who, subject to the superintendence, control and direction of the Board of Directors, has the management of the whole, or substantially the whole, of the affairs of a company, and includes a director or any other person occupying the position of a manager, by whatever name called, whether under a contract of service or not;
- i. **“Managing Director”** means a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.
- Explanation.—For the purposes of this clause, the power to do administrative acts of a routine nature when so authorised by the Board such as the power to affix the common seal of the company to any document or to draw and endorse any cheque on the account of the company in any bank or to draw and endorse any negotiable instrument or to sign any certificate of share or to direct registration of transfer of any share, shall not be deemed to be included within the substantial powers of management;
- j. **“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;

- k. **“Whole-Time Director”** includes a director in the whole-time employment of the company;

6. NOMINATION AND REMUNERATION COMMITTEE

The Remuneration Committee of the Board of Directors shall be re-named as **Nomination and Remuneration Committee**. Members of the Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors.

- a. **Composition-** The Remuneration Committee of the Board of Directors shall be re-named as Nomination and Remuneration Committee. Members of the Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors.
- b. **Responsibility & Duties-** The responsibility and duties of Nomination and Remuneration Committee are as follows:
- i. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.
 - ii. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other Employees.
 - iii. Formulating framework and/or policy for remuneration, terms of employment and any changes, including service contracts, remuneration, policy for and scope of pension arrangements, etc for Executives and reviewing it on a periodic basis;
 - iv. Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognized;
 - v. Formulating the policy 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.
 - relationship of remuneration to performance is clear and meets appropriate performance benchmark; and
 - 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.
- c. **The Committee shall:**
- i. review the ongoing appropriateness and relevance of the remuneration policy;
 - ii. ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;
 - iii. obtain reliable, up-to-date information about remuneration in other companies;
 - iv. ensure that no director or executive is involved in any decisions as to their own remuneration.
- d. **The Committee shall:**

- i. Recommend the Board size and composition including the proportion of promoter vs. independent directors.
 - ii. Recommending Budget for Board related expenses.
 - iii. Recommending to the Board of Directors regarding the remuneration payable to Relative of Director(s) and evaluation of same from time to time.
 - iv. Conduct annual review of the Committee's performance and effectiveness at the Board Level.
 - v. Remuneration Package of the following:
 - vi. Employee Stock Option Plan- approves subscription and allotment of shares to the eligible Employees under the shareholder approved Employee Stock Option Plan.
 - vii. Contracting Professional help to advise the nominating Committee on matters relating to the terms of reference of the Committee requiring independent input from outside experts.
 - viii. Recommend and review succession plans for Managing Director/Chairman.
 - ix. Review and approve succession plans for Senior Management (all the Direct Reportees to the Managing Director).
 - x. Powers as may be delegated by the Board of Directors from time to time subject to the Provisions of the Memorandum and Articles of Association of the Company and Companies Act, 2013.
 - xi. Evolve policy for authorizing expenses of Chairman & Managing Director.
 - xii. review the ongoing appropriateness and relevance of the remuneration policy;
 - xiii. ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;
 - xiv. obtain reliable, up-to-date information about remuneration in other/peer companies;
 - xv. ensure that no director or executive is involved in any decisions as to their own remuneration.
- e. **Without prejudice to the generality of the terms of reference to the Remuneration Committee set out above, the Remuneration Committee shall:**
- i. Operate the Company's share option schemes (if any) or other incentives schemes (if any) as they apply to. It shall recommend to the Board the total aggregate amount of any grants to employees (with the specific grants to individuals to be at the discretion of the Board) and make amendments to the terms of such schemes (subject to the provisions of the schemes relating to amendment);
 - ii. liaise with the trustee / custodian of any employee share scheme which is created by the Company for the benefit of employees or Directors; and
 - iii. review the terms of executive Directors' service contracts from time to time.

7. SELECTION AND APPOINTMENT OF THE BOARD MEMBERS

The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of the Board as a whole and its individual members. The Board Members should be qualified, independent and have positive attributes. Directors will be sought who possess the highest personal and professional ethics, integrity, values and experience, expertise and diversity that will best complement Board effectiveness at the time. They should take the decision in such manner which is not prejudicial in the interest of the stakeholders of the Company. Directors take the necessary steps in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

In the evaluation of Board Members, the Nominations Committee will have regard to normally accepted nomination criteria, including:

- (a) honesty and integrity;

- (b) the ability to exercise sound business judgment;
- (c) appropriate experience and professional qualifications;
- (d) absence of conflicts of interest or other legal impediments to serving on the Board;
- (e) willingness to devote the required time; and
- (f) availability to attend Board and Committee meetings

8. SELECTION OF BOARD MEMBERS/ EXTENDING INVITATION TO A POTENTIAL DIRECTOR TO JOIN THE BOARD

Nomination and Remuneration Committee periodically evaluate the Board's Performance, ascertain their availability and make suitable recommendations to the Board. The Committee identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director is appointed by the Board.

9. PROCEDURE FOR SELECTION AND APPOINTMENT OF EXECUTIVES OTHER THAN BOARD MEMBERS

- a. The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel, and produce a written document thereon;
- b. The Committee may conduct a wide-ranging search for candidates for the positions of KMP and SMP within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity, and on the human resources market;
- c. The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;
- d. A meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of KMP and SMP;
- e. Before the selection of KMP or SMP, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors;
- f. The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

10. COMPENSATION STRUCTURE

Compensation structure/ policy (fixed/variable/ incentive schemes for KMP & SMP/ ID sitting fees/ WTD/MD packages including all its components Basic Salary, HRA, Conveyance Allowance, Commission, if any, as per the Rules of the Company.

11. INDEPENDENT DIRECTOR

- a. Fees in respect of Independent Directors may be such as may be prescribed.
- b. He shall not be entitled to any stock option and may receive remuneration by way of fees provided under sub-section (5) of Section 197 of the Companies Act, 2013, reimbursement

of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members.

12. ROLE OF INDEPENDENT DIRECTORS

- a. The Committee shall, in consultation with the Independent Directors of the Company, prepare and submit this policy to the Board for its approval
- b. The Independent Directors shall have power and authority to determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management.
- c. The Independent Directors shall submit its recommendations/ proposals/ decisions to the Committee which the Committee shall consult and take to the Board of Directors.

13. RETIREMENT POLICY FOR DIRECTORS

The Company has adopted the Guidelines for retirement age wherein Managing and Executive Directors retire at the age of 65 years. Any Executive Director, who is retained on the Company's Board beyond the age of 65 years as Executive Director for special reasons may continue as a Director at the discretion of Board but in no case beyond the age of 70 years. The retirement age for Independent Directors is 80 years. The Company has also adopted a Policy for offering special retirement benefits including pension, ex-gratia and medical to Managing and Executive Directors which has also been approved by the Members of the Company. In addition to the above, the retiring Managing Director is entitled to residential accommodation or compensation in lieu of accommodation on retirement. The quantum and payment of the said benefits are subject to an eligibility criteria of the retiring director and is payable at the discretion of the Board in each individual case on the recommendation of the Remuneration Committee.

14. DISCLOSURES IN BOARD'S REPORT

- a. Every Listed Company shall disclose in the Board's Report, the ratio of the remuneration of each director to the median employee's remuneration and such other details as may be prescribed.
- b. **Following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the Financial statement:-**
 - i. All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors;
 - ii. Details of fixed components and performance linked incentives along with the performance criteria.
 - iii. Services contracts, notice period, severance fees;
 - iv. Stock option details, if any, and whether the same has been at a discount as well as the period over which accrued and over which exercisable.

15. APPROVAL AND PUBLICATION

- a. This remuneration policy as framed by the Committee shall be recommended to the Board of Directors for its approval.

- b. This policy shall be hosted on the Company's website www.tantiagroup.com.
- c. The policy shall form part of Director's report to be issued by the Board of Directors in terms of Companies Act, 2013

16. SUPPLEMENTARY PROVISIONS

- a. This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.
- b. Any matters not provided for in this Policy shall be handled in accordance with relevant State laws and regulations and the Company's Articles of Association. If this Policy conflict with any laws or regulations subsequently promulgated by the state or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant state laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for review and adoption.
- c. The right to interpret this Policy vests in the Board of Directors of the Company.