



TIDEL Park Coimbatore Ltd.

NOMINATION & REMUNERATION POLICY

1. Introduction

The Company considers human resources as its 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 the Companies Act, 2013, in order to pay equitable remuneration to KMPs and employees of the Company and to harmonize the aspirations of human resources consistent with the goals of the Company. Since the Board of the Company comprises of Directors representing Promoters of the Company/Government Nominees, no remuneration is being paid to any Director as on date, except sitting fee for Independent Directors.

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, wherever applicable 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 Directors on the Board wherever applicable;
- 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

In line with requirements of the Companies Act, the Board has constituted the "Nomination and Remuneration Committee" on 19.12.2014. The Board has authority to reconstitute this Committee from time to time.

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.

'**Company**' means TIDEL Park Coimbatore Ltd.

'**Independent Director**' means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.

'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;
- ii) the Company Secretary; and
- iii) the Chief Financial Officer

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.

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

General

This Policy is divided in three parts: -

- Part – A covers the matters to be dealt with and recommended by the Committee to the Board;
- Part – B covers the appointment and nomination; and
- Part – C covers remuneration and perquisites etc.

This policy shall be included in the Report of the Board of Directors.

Part – A

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The following matters shall be dealt by the Committee:-

(a) Size and composition of the Board:

Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company as a whole;

(b) Directors:

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board, when circumstances warrant the appointment of a new Director, having regard to the range of skills, experience and expertise, on the Board and who will best complement the Board;

(c) Succession plans:

Establishing and reviewing Board and senior executive succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management;

(d) Evaluation of performance:

Make recommendations to the Board on appropriate performance criteria for the Directors, wherever applicable.

Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company, wherever applicable.

Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the options of the business, the industry and their legal responsibilities and duties.

(e) Board diversity:

The Committee is to assist the Board in ensuring Board nomination process with the diversity of gender, thought, experience, knowledge and perspective in the Board.

(f) Remuneration framework and policies:

The Committee is responsible for reviewing and making recommendations to the Board on:

- (a) the remuneration of Directors, wherever applicable and KMPs
- (b) the level of remuneration of Independent Directors, including any additional fees payable for membership of Board committees;
- (c) the remuneration policies for all employees including KMPs, senior management and other employees including perquisites/incentives/increments and service contracts etc., having regard to the need to
 - (i) attract and motivate talent to pursue the Company's long term growth;
 - (ii) demonstrate a clear relationship between executive compensation and performance; and
 - (iii) be reasonable and fair, having regard to best governance practices and legal requirements.
- (d) the Company's succession plans and
- (e) the Company's remuneration reporting in the financial statements and remuneration report.

PART – B

Policy for 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 (wherever applicable), 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. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to TPCL, ability to contribute to TPCL's growth, complementary skills in relation to the other Board members.

4. A whole-time KMP of the Company shall not hold office in more than one 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 TPCL.

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 in line with Articles of Association of the Company and as per provisions of the Companies Act.

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. At the time of appointment of Independent Director, it should be ensured that the number of Boards on which such Independent Director serves is within the permitted ceiling as prescribed under Companies Act.

Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under 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.

Retirement

The Whole-time Directors, KMP and senior management personnel 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 Whole-time Directors, KMP and senior management personnel in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

PART – C

Policy relating to the remuneration for Directors, KMPs and other employees

General

1. The remuneration etc. to Directors, wherever applicable 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 as and when appointed, shall be in accordance with the provisions of the Companies Act, 2013, and the rules made there under.
3. Where any insurance is taken by the Company on behalf of its KMP 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.

Remuneration to KMPs and other employees

The policy on remuneration for KMPs and other employees is as below:-

The Committee would determine the remuneration of the Directors and formulate guidelines for remuneration payable to the employees. The Committee would formulate separate guidelines for regular staff and for the contractual staff.

Remuneration to Independent Directors

1. Sitting fees

The Non-Executive Directors (including Independent Directors) will receive remuneration by way of fees for attending meetings of Board or Committee thereof, as decided by the Committee from time to time subject to the limit defined under the Companies Act, 2013 and rules.

2. Stock options

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

Policy review

This policy is framed based on the provisions of the Companies Act, 2013 and rules there under. 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.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.
