

## **TIMES GUARANTY LIMITED**

### **NOMINATION AND REMUNERATION POLICY**

#### **Introduction**

In terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) (as amended from time to time), this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated and recommended by the Nomination and Remuneration Committee ("NRC") and approved by the Board of Directors of the Company. This policy shall be operational with immediate effect.

#### **Definitions**

All capitalised terms used in this policy document but not defined herein shall have the meaning ascribed to such term in the Companies Act, 2013, the Rules framed there under and Listing Regulations as amended from time to time.

#### **Constitution/ Re-constitution of the Nomination and Remuneration Committee**

The Board will appoint Committee members and the committee chair from time to time in accordance with the applicable statutory requirements.

#### **Secretary**

The Company Secretary shall act as the Secretary to the Committee.

#### **Quorum**

At least two members shall constitute the quorum.

#### **Frequency of the meetings of the Committee**

The Committee will meet at least once a year and more often if the situation warrants.

#### **Scope & Remit**

The purpose of the Nomination and Remuneration Committee is to –

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Formulate the criteria for evaluation of performance of independent directors and the board of directors;
- Devise a policy on diversity of board of directors;
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- Determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommend appropriate remuneration policy for directors, key management personnel and senior management personnel, by ensuring that –
  - a. The level and composition of remuneration is reasonable and sufficient to attract, retain and promote talent;

- b. The relationship of remuneration to performance is specific, measurable and comparable with industry standards;
- c. The balance between the fixed and variable component is commensurate with the long term and short term objectives of the business and its performance and goals.

### **Role and Responsibility**

The role and responsibility of the Nomination and Remuneration Committee is to –

- Carry out evaluation of every director's performance by ensuring the following:
  - The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated as per the compliance with the Code of Conduct of the Company, as envisaged in Schedule IV of the Companies Act, 2013 and the following criteria's:
    - Act objectively and constructively while exercising their duties;
    - Exercise their responsibilities in a bona fide manner in the interest of the company;
    - Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
    - Do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
    - Refrain from any action that would lead to loss of his independence
    - Inform the Board immediately when they lose their independence,
    - Assist the company in implementing the best corporate governance practices.
    - Strive to attend all meetings of the Board of Directors and the Committees;
    - Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
    - Strive to attend the general meetings of the company;
    - Keep them well informed about the company and the external environment in which it operates;
    - Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
    - Moderate and arbitrate in the interest of the company as a whole, in situations of Conflict between management and shareholder's interest.
    - Abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.
  - On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.
- Recommend appointment/removal of the Directors/ KMP and Senior Management Personnel for the approval of the Board.
- Recommend remuneration of the Directors/ KMP and Senior Management Personnel for the approval of the Board;
- Recommend re-appointment of directors on retirement by rotation;

- Any other requirement in accordance with the applicable provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations amended from time to time.

## **REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL**

### **1) Remuneration to Managing Director / Whole-time Directors:**

a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

### **2) Remuneration to Non- Executive / Independent Directors:**

a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

c) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

- i) The Services are rendered by such Director in his capacity as the professional; and
- ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

### **3) Remuneration to Key Managerial Personnel and Senior Management:**

a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

b) The Fixed pay shall include monthly remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

## **Disclosure**

The Company shall disclose the remuneration policy in its Board Report.

**Review and Amendment**

- NRC or the Board may review the Policy as and when it deems necessary;
- NRC may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary;
- This Policy may be amended or substituted by the NRC or by the Board as and when required.