

NOMINATION AND REMUNERATION POLICY

INTRODUCTION:

This Policy has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company in compliance of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, entered into by the Company with Stock Exchanges.

COMPOSITION OF THE COMMITTEE:

The Board has changed the nomenclature of Remuneration Committee to Nomination and Remuneration Committee on 30th July, 2014. The Committee comprises of following Directors.

Sr. No.	Name of the Director	Position	Category
1	Mr. V. S. Srinivasan	Chairperson	Non Executive & Independent Director
2	Mr. Atul Desai	Member	Non Executive & Independent Director
3	Mr. Dharmil Bodani	Member	Non Executive Director

The aforesaid committee was reconstituted on 11th November, 2014 to meet the composition criteria as per the provisions prescribed in the Companies Act, 2013 and rules if any made thereunder.

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

The Board has power to re-constitute the committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement.

DEFINITIONS:

“The Company” means TCFC Finance Limited.

“Committee” means Nomination and Remuneration Committee of the Company as constituted or re-constituted by the Board, from time to time.

“Key Managerial Personnel” (KMP) means

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

“Senior Management Personnel” 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.

List of Senior Management Personnel is enclosed with this policy.

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.

APPLICABILITY:

This Policy is applicable to all Directors, Key Managerial Personnel (KMP) and Senior Management Personnel.

ROLE OF COMMITTEE:

The role of the Committee inter alia will be the following:

- To identify persons who are qualified to become Directors, KMP and Senior Management personnel;
- To recommend to the Board for appointment and removal of Director, KMP and Senior Management personnel;
- To formulate criteria for determining qualification, positive attributes and independence of a Director;

- To formulate criteria for evaluation of Independent Director and the Board;
- To recommend to the Board a policy for remuneration of Directors, KMP and Senior Management Personnel;
- To formulate the policy of remuneration and ensures that -
 - a. 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;
 - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and;
 - c. Balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- To devise a policy on Board diversity;
- To carry out any other responsibilities and duties delegated to it by the Board from time to time.

APPOINTMENT CRITERIA AND QUALIFICATIONS:

- The Committee shall identify, ascertain the integrity, qualification, expertise, experience of a person and recommend to the Board for his / her appointment as Director/ KMP/Senior Management Personnel of the Company.
- The Director, KMP and Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013 and rules made thereunder, Listing Agreement or any other enactment for the time being in force.
- The Company should ensure that the person so appointed as Director, KMP and Senior Management Personnel shall not be disqualified under the Companies Act, 2013 and rules made thereunder, Listing Agreement or any other enactment for the time being in force.

TERM/TENURE OF APPOINTMENT:

The Term / Tenure of the Director shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time.

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 or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP and Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

RETIREMENT:

The Director, KMP and Senior Management personnel of the Company shall be eligible for retirement as per the applicable provisions of the Companies Act 2013 and any prevailing policy of the Company in relation to retirement of employees.

REMUNERATION:

The Committee will recommend the remuneration to be paid to the Director, KMP and Senior Management Personnel to the Board for their approval.

➤ **Remuneration to Executive Director:**

The Remuneration/ Compensation/ Commission etc. to be paid to Executive Director shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

➤ **Non Executive Independent Directors:**

The Non-Executive Independent Director may receive remuneration / compensation / commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

➤ **KMP/ Senior Management Personnel:**

The Remuneration to be paid to KMP/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

EVALUATION:

The Performance evaluation of the board is to be conducted as per the provision of the Companies Act, 2013 and Listing Agreement. The Committee shall carry out evaluation of performance of each director of the Company on a yearly basis.

The Committee shall monitor and review board evaluation framework, conduct an assessment of the performance of the Board against criteria as determined and approved by the Committee.

The performance evaluation of Independent Directors and board shall be done by the entire Board of Directors, excluding the director being evaluated.

AMENDMENTS:

This policy can be amended by the Board of Directors on its own or based on the recommendation made by the Nomination and Remuneration Committee from time to time.
