



TANLA SOLUTIONS LIMITED

Nomination and Remuneration Policy

1. Preamble:

Pursuant to Section 178 of the Companies Act, 2013 (“the Act”) and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of every Listed Company is required to constitute Nomination and Remuneration Committee, and such committee recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

2. Role of Nomination and Remuneration Committee under Companies Act, 2013:

- Constitution of the Nomination and Remuneration Committee consisting of three or more Non-Executive Directors out of which not less than one-half shall be Independent Directors.
- The Nomination and Remuneration Committee shall 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 Senior Management Personnel i.e. employees at one level below the Board including functional heads.
- The Nomination and Remuneration Committee shall, while formulating the policy 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 benchmarks; and
 - Remuneration to Director, Key Managerial Personnel and Senior Management Personnel 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.
- Such policy shall be disclosed in the Board’s report.



3. Role of the Committee under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- Identifying 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.
- 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.

4. Constitution of Nomination and Remuneration Committee:

In compliance with the provisions of Section 178 of the Companies Act, 2013 (“the Act”) and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“Listing Agreement”) entered by the Company with Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE) the Board of Directors of the Company has constituted the Nomination and Remuneration Committee (“the committee”) including three Independent Directors as members of the Committee, as detailed below:

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| • Ms. Amrita Gangotra | Chairperson |
| • Mr. Sanjay Baweja | Member |
| • Mr. Rohit Bhasin | Member |
| • Dr. A G Ravindranath Reddy | Member |
| • Mr. Sanjay Kapoor | Member |

5. Policy relating to Appointment of Directors, Key Managerial Personnel (KMP) and Senior Management:



Appointment:

- 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.
- 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 is sufficient/satisfactory for the concerned position.
- The Company shall not appoint or continue the employment of any person as Whole time Director who has attained age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy 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 years.

Term / Tenure:

- The Company shall appoint or reappoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.
- 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 reappointment 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 from 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 1, 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.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole time Director of a listed company or such other number as may be prescribed under the Act.



Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular intervals (yearly).

Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations made thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and in compliance of the said Act, rules and regulations thereunder.

Retirement:

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

6. Policy relating to Remuneration of Directors, Key Managerial Personnel and Senior Management:

- The Remuneration of Directors should be in accordance with the provisions of the Companies Act, 2013 read with Schedule-V of the Companies Act, 2013 as amended from time to time.
- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No Director / KMP / other employee is involved in deciding his or her own remuneration.
- The trend prevalent in the similar industry, nature and size of business is kept in view and given due weightage to arrive at a competitive quantum of remuneration.
- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks which are unambiguously laid down and communicated.



- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- Provisions of all applicable laws with regard to making payment of remuneration to the Board of Directors, KMP and Senior Management, as may be applicable from time to time, shall be complied.
- Whenever, there is any deviation from the Policy, the justification / reasons should also be indicated / disclosed adequately.

7. Amendment to the Policy:

The Board of Directors on recommendations of Nomination and Remuneration Committee can amend this policy, as and when deem fit or in case of any amendments, clarifications, circulars, notifications etc. issued by the relevant authorities, not being consistent with the provisions laid down under this policy can amend the policy to meet the statutory requirement.

8. Disclosure:

The details of this policy and the evaluation criteria with regard to appointment and remuneration of Directors, KMP and Senior Management as applicable shall be disclosed in the Board's Report and, or Annual Report and the same may be put on the Company's website.