



TALBROS AUTOMOTIVE COMPONENTS LIMITED

REMUNERATION POLICY

1. PREAMBLE

- 1.1 The Remuneration Policy of Talbros Automotive Components Limited (hereinafter referred to as "**the Company**") is designed to attract, motivate and retain talent by offering an appropriate remuneration package and also providing a congenial & healthy work environment.
- 1.2 This Remuneration Policy (hereinafter referred to as "**the Policy**") applies to Directors, Senior Management including the Key Managerial Personnel (KMP) and other employees of the Company.
- 1.3 The new Policy has been recommended by the Nomination and Remuneration Committee (NRC) in its meeting held on 1st January, 2019 and approved by the Board of Directors its meeting held on 14th February, 2019 and is applicable w.e.f. 1st April, 2019.

2. PRINCIPLES

- 2.1 The Policy is framed to comply with Section 178 of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**SEBI (LODR) Regulations, 2015**").

3. APPLICABILITY

- 3.1 The Policy shall guide the remuneration of Directors, Senior Management including Key Managerial Personnel and other employees

4. REVISED TERMS OF REFERENCE IN ACCORDANCE WITH SEBI (LODR) REGULATIONS, 2015

Revised terms of reference/ role of Nomination and Remuneration Committee are as under:

- (1) 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;
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) 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.

- (5) 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.
- (6) recommend to the board, all remuneration, in whatever form, payable to senior management.

5. CRITERIA FOR APPOINTMENT OF DIRECTORS, KMPS AND SENIOR MANAGEMENT

5.1 Every person considered for employment by the Company as part of Senior Management shall fulfill the following criteria:

- a) He/ she should be a person of integrity;
- b) The person should possess adequate qualification, positive attributes, expertise and experience, commensurate with the position he/ she is being considered for. NRC shall have the discretion to decide whether qualification, expertise and experience possessed by the candidate are adequate for the concerned position.
- c) The person should not have been convicted by a court of law of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for 6 months or more during last 5 years or imprisonment for 7 years or more at any point in time.
- d) The person should possess all requisite qualifications (wherever applicable) as may be prescribed under any law, rules, regulations and SEBI (LODR) Regulations, 2015.

5.2 Every person proposed to be appointed as Director or Managing Director or Whole Time Director shall fulfill the following criteria:

- a) He/ she should be person of integrity;
- b) The person should have requisite qualification and experience in any of the areas like technical, finance, law, public administration, management, accounting, marketing, production, human resource, etc., as may be required in the context of the business of the Company. NRC shall have the discretion to decide whether qualification, expertise and experience possessed by the candidate are adequate for the concerned position.
- c) The person should not have been disqualified to be a director as per the provisions of the Companies Act, 2013 & Rules made thereunder and any other law(s) & regulation for the time being in force.
- d) In case of appointment as Independent Director, the person shall also fulfill the criteria of independence prescribed under the Companies Act, 2013 & Rules made thereunder and SEBI (LODR) Regulations, 2015.

6. REMUNERATION STRUCTURE

6.1 Remuneration of Non-Executive Directors

6.1.1 The non-executive directors are paid remuneration by way of sitting fee for attending meeting(s) of Board of Directors and any Committees thereof, as fixed by the Board of Directors from time to time, in accordance with the

statutory provisions. They may also be reimbursed for travelling and lodging expenses, if any. At present, sitting fee is paid @ Rs. 30,000/- per Board Meeting and @ Rs. 15,000/- per Audit Committee meeting.

6.2 Remuneration of Managing Director and Whole-time Director

- 6.2.1 The term of office and remuneration of Managing Director and Whole-time Director/ (JMD) are subject to approval/in accordance with the approval of the Board of Directors, shareholders and the limits laid down under the Companies Act, 2013, as applicable from time to time.
- 6.2.2 While considering the appointment and remuneration of Managing Director and Whole-time Director, the NRC will consider the conditions of employment and compensation in the industry, merit and seniority of the person, cost of living and the paying capacity of the Company.
- 6.2.3 Further, NRC while designing the remuneration package will consider the remuneration package to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to discharge the functions.
- 6.2.4 The Managing Director and Whole-time Directors' remuneration comprises of salary, perquisites apart from retirement benefits like P.F., Gratuity, etc. as per Rules of the Company.
- 6.2.5 The Managing Director and Whole-time Directors are entitled to customary non-monetary benefits such as company cars, furnished accommodation, health care benefits, leave travel, communication, travelling facilities, etc. Their terms of appointment may provide for severance payments in accordance with the law.

6.3 Remuneration of KMP & Senior Management

- 6.3.1 Appointment, remuneration and removal of KMP & Senior Management is subject to approval of NRC and Board of Directors. Remuneration of KMP and Senior Management will be broadly in line with the respective Policies for Managing Director and Whole Time Directors. Total remuneration may comprise of:
- a) **A fixed base salary & special allowance/pay** - set at a level to attract and retain executives with professional and personal competence.
 - b) **Perquisites** — by way of house rent allowance/ accommodation, reimbursement of entertainment expenses, medical expenses, conveyance, telephone, leave travel, etc.
 - c) **Variable Pay/ Bonus** — by way of quarterly/ annual pay outs depending upon the individual's performance and Company's performance towards achieving the Company's targets.
 - d) **Retirement benefits** - contribution to PF, gratuity etc. as per Company Rules.
 - e) **Motivation /Reward** - A performance appraisal is carried out annually and Promotions/ increments/ rewards are decided.
 - f) **Severance payments** - in accordance with terms of employment, and

applicable statutory requirements, if any.

In addition to the above, KMP and Senior Management are also given vehicle/ vehicle allowance on terms & conditions decided as per their position/ grade.

6.4 Remuneration of other employees

6.4.1 The remuneration of other employees is fixed from time to time, as per the principles outlined above and considering industry standards and cost of living. In addition to basic salary, they are also paid allowance, variable pay/bonus, perquisites and retirement benefits as per schemes of the Company and statutory requirements, where applicable. These employees are also eligible for vehicle/ vehicle allowance on terms & conditions decided as per their position/ grade.

7. DISCLOSURE(S) OF REMUNERATION

7.1 Information on remuneration of Directors, Managing Director, Whole-time Director and KMP/ Senior Management may be disclosed as per applicable statutory requirements.