



**REMUNERATION POLICY FOR**  
**DIRECTORS, KEY**  
**MANAGERIAL PERSONNEL**  
**AND OTHER EMPLOYEES**

**T.C. TERRYTEX LIMITED**



## 1. INTRODUCTION

1.1 **TC Terry Tex Limited** recognizes the importance of aligning business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated this remuneration policy for its directors, key managerial personnel (KMP), and other employees, keeping in view the following objectives:

1.1.1 Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain, and motivate individuals to run the Company successfully.

1.1.2 Ensuring that the relationship between remuneration and performance is clear and meets the performance benchmarks.

1.1.3 Ensuring that remuneration 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.

## 2. LEGAL FRAMEWORK AND OBJECTIVES

2.1 Section 178 of the Companies Act, 2013 (“Act”) read with the applicable Rules thereto, provisions of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Regulations”) read with Part D of Schedule II of SEBI Regulations (together referred to as “Applicable Laws”) require the Nomination and Remuneration Committee (“NRC” or the “Committee”) of the Board of Directors of every listed company, among other classes of companies, to:

2.1.1 Identify persons who are qualified to become directors and who may be appointed in a KMP role in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

2.1.2 Formulate the criteria for determining qualifications, positive attributes, and independence of a director;

2.1.3 Devise a policy on the diversity of the Board of Directors;

2.1.4 Specify the manner and criteria for effective evaluation of the performance of the Board, its committees, and individual directors. Based on the performance evaluation results of independent directors, decide whether to extend or continue their term of appointment or not;

2.1.5 Recommend to the Board of Directors a policy relating to the remuneration of the directors, KMP, and other employees.

2.1.6 Recommend to the Board all remuneration, in whatever form, payable to senior management.



### 3. SCOPE AND EXCLUSION

3.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee in recommending to the Board the remuneration of the directors, key managerial personnel, and other employees of the Company.

### 4. TERMS AND REFERENCES

In this Policy, the following terms shall have the following meanings:

4.1 “**Director**” means a director appointed to the Board of the Company.

4.2 “**Key Managerial Personnel (KMP)**” means:

- (i) The Chief Executive Officer or the Managing Director or the Manager;
- (ii) The Company Secretary;
- (iii) The Whole-Time Director;
- (iv) The Chief Financial Officer;
- (v) Such other officer, not more than one level below the Directors who is in whole-time employment, designated as Key Managerial Personnel by the Board; and
- (vi) Such other officer as may be prescribed under the Companies Act, 2013.

4.3 “**Nomination and Remuneration Committee (NRC)**” means the committee constituted by the **TC Terry Tex Limited** Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 5. BOARD DIVERSITY

5.1 The Committee, in its nomination process and while making recommendations to the Board, shall endeavor to have an optimum combination of directors from different fields and genders. The Committee shall operate on the premise that a diverse and inclusive Board will be able to leverage different skills and perspectives, which is essential for achieving long-term growth and development. The Committee shall set out the criteria for determining qualifications, positive attributes, and independence while evaluating a person for appointment/re-appointment as a Director with no discrimination on the grounds of ethnicity, nationality, gender, race, or any other such factor. While reviewing the composition of the Board, the Committee will consider the benefits of all aspects of diversity.

### 6. BOARD FAMILIARIZATION AND LEARNING

6.1 Regulation 25(7) of the SEBI LODR requires a company to familiarize the independent directors with the Company and their roles and responsibilities. Accordingly, the NRC has adopted a structured program for orientation and training of non-executive directors, including independent



directors at the time of their joining, so as to enable them to understand the Company, its operations, business, industry, and the environment in which it operates.

The Company has a separately defined **Familiarization Program** for the Directors, which focuses on updating the Directors on a continuing basis on any significant changes so as to be in a position to take well-informed and timely decisions.

## **7. REMUNERATION TO EXECUTIVE DIRECTORS AND KEY MANAGERIAL PERSONNEL**

7.1 The Board, on the recommendation of the Nomination and Remuneration Committee (NRC), shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

7.1.1 The Board, on the recommendation of the NRC Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.

7.2 The remuneration structure for the Executive Directors and Key Managerial Personnel shall include the following components:

- (i) Basic Pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors/KMPs & Non-Executive and Independent Directors)
- (v) Retirement Benefits
- (vi) Annual Performance Bonus

7.3 The Annual Plan and Objectives for Executive Directors and Senior Executives shall be reviewed by the NRC Committee, and the Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

## **8. REMUNERATION TO NON-EXECUTIVE DIRECTORS**

8.1 The Board, on the recommendation of the NRC Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders.

8.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non-Executive Directors shall also be entitled to profit-related commission in addition to the sitting fees.

## **9. QUALIFICATIONS AND CRITERIA**

9.1 The Nomination and Remuneration Committee (NRC), and the Board, shall review on an annual basis, the appropriate skills, knowledge, and experience required of the Board as a whole



and its individual members. The objective is to have a Board with diverse backgrounds and experiences that are relevant to the Company's operations.

In evaluating the suitability of individual Board members, the NRC Committee may take into account factors such as:

- General understanding of the Company
- Business dynamics, global business perspective
- Social perspective
- Educational and professional background
- Standing in the profession
- Personal and professional ethics, integrity, and values
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

#### **10. ADDITIONAL REQUIREMENTS FOR APPOINTMENT**

The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number (DIN)
- Shall not be disqualified under the Companies Act, 2013
- Shall give written consent to act as a Director
- Shall endeavor to attend all Board Meetings and, wherever appointed, Committee Meetings
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel
- Shall disclose his/her concern or interest in any company or companies or bodies corporate, firms, or other associations of individuals, including shareholding, at the first meeting of the Board in every financial year and thereafter whenever there is a change
- Shall comply with such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and other relevant laws.

#### **11. CRITERIA OF INDEPENDENCE**

The NRC shall assess the independence of Directors at the time of appointment/re-appointment, and the Board shall reassess the same as required. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

The criteria of appointment of independence, as laid down in Section 149 of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, shall apply.

#### **12. SUCCESSION PLANNING**

Succession planning is done to ensure that the affairs of the Company are not impeded by events such as retirement, resignation, or death. The NRC shall draft and recommend to the Board a



succession plan for appointments to the Board as well as KMPs. The NRC shall review such a plan on an annual basis and recommend revisions if necessary.

### **13. POLICY REVIEW**

This policy may be amended, modified, or supplemented from time to time to ensure compliance with any amendments, modifications, or supplementation of the Companies Act, 2013, SEBI Regulations, or any other applicable laws.

### **14. GENERAL**

This policy will be posted on the Company's website <https://tctl.in/>

In the event of any inconsistency between this policy and applicable laws, the applicable laws will prevail.