

*NOMINATION &
REMUNERATION POLICY*

TCI Express LIMITED

I. INTRODUCTION

In terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, this policy on Nomination and Remuneration of Directors, Key Managerial Personnel, Senior Management Personnel & Other Employees has been formulated by Nomination & Remuneration Committee (The Committee) and approved by the Board of Directors on September 29, 2016.

II. DEFINITIONS

- **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- **Board** means Board of Directors of the Company.
- **Committee** means Nomination & Remuneration Committee of the Company as constituted or reconstituted by the Board.
- **Company** means TCI Express Limited.
- **Directors** mean Directors of the Company.
- **Executive Directors (EDs)** means Managing Director(s) & Other Executive Director(s).
- **Stock Option** means the option given to the directors, officers or employees of a company or of its subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.
- **Independent Director** means a director referred to in Section 149 (6) of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time.
- **Key Managerial Personnel (KMPs)** means :
 - I. Executive Directors;
 - II. Chief Financial Officer;
 - III. Company Secretary;
 - IV. Chief Executive Officers
- **Senior Management** shall mean officers/personnel who are member of core management team excluding board of directors and shall comprise of:
 - I. All personnel working one level below Executive Directors/Chief Executive Officer;
 - II. Chief Financial Officer; &
 - III. Company Secretary.

III. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Act, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and/or any other SEBI Regulation(s) as amended from time to time.

IV. CONSTITUTION OF COMPENSATION/NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee shall be the governing body for the Nomination and Remuneration Policy of the Company

A. Role of the Committee

- i. Identification and recommendation to Board of persons who are qualified to become Director & KMP in accordance with the criteria laid down.
- ii. Considering recommendations of the KMPs w.r.t. appointment & removal of SMPs in accordance with the criteria laid down and forwarding their recommendations to the Board accordingly.
- iii. Assist the Board in ensuring that plans are in place for orderly succession for appointment to the Board & Senior Management.
- iv. Ensure that the Board is balanced & follows a diversity policy in order to bring in professional experience in different areas of operations, transparency, corporate governance & financial management etc.
- v. Formulation of the criteria for determining qualifications, positive attributes and independence of a director.
- vi. Formulation of evaluation criteria for Independent/ Non-Independent/Executive Directors & the Board as a whole & KMPs.
- vii. Ensure that directors are inducted through suitable familiarization process & that proper & regular training is given to Independent Directors to update & refresh their skills, knowledge and familiarity with the Company.
- viii. Formulation & supervision of the Nomination & Remuneration Policy of the Company.
- ix. Oversee the formulation and implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI Regulations as amended from time to time.

Provided that the Committee is authorized to delegate any/all of its powers to any of the director(s) and/or officer(s) of the Company, as may be deemed necessary, from time to time.

V. APPLICABILITY

The Policy is applicable to:

- i. Directors (Executive and Non-Executive);
- ii. Key Managerial Personnel (KMPs);
- iii. Senior Management Personnel (SMPs); &
- iv. Other employees of the Company.

VI. APPOINTMENT

A. Directors Including MD/EDs

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and recommend to the Board his/her appointment.
- ii. The Committee/Board may review on annual basis, the attributes required of the Board as a whole and its individual members with an objective to have a Board with diverse background and experience in such other areas that may be relevant for the Company's operations.
- iii. A person shall not be appointed as director if he is in-eligible for appointment under applicable provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or other applicable laws & regulations.
- iv. Appointment of Independent Directors is subject to compliance of applicable provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or other applicable laws & regulations.

B. KMPs (Excluding EDs)

- i. The EDs shall identify & ascertain the attributes, qualification & experience of the person for appointment as KMP and recommend to the Committee his/her appointment who, in turn, shall recommend the same to Board.
- ii. In evaluating the suitability of a person for appointment as KMP, the EDs may take into account various factors including general understanding of the Company's business dynamics, worldwide business and social perspective, educational and professional background and personal achievements.

C. SMPs & Other Employees (Excluding KMPs)

- i. The EDs shall have all the requisite powers to appoint SMPs and to do all such acts & deeds as may be necessary & incidental thereto. However, such appointment shall have to be ratified by the Committee in line with the Act. Once the appointment of SMP is duly approved by the Committee, it shall forward its recommendation to the Board & the Board shall take note of it accordingly.

- ii. Appointments, below the level of senior management, shall be made by the SMPs keeping in view the qualification, expertise and experience possessed by a person for the concerned position.

VII. CODE OF CONDUCT FOR DIRECTORS/SMPs

i. Accountability

The Directors/SMPs are accountable to stakeholders including market participants and the general public, for the Company's performance of its objects set out in Memorandum of Association.

ii. Expectations from Directors/SMPs

As a member of the Board/Company Management, each Director/SMP shall be expected to meet following obligations:

- a) To act honestly and in good faith with the best interests of the Company;
- b) Recognize the Company's accountability to stakeholders, including without limitation, market participants and the general public, in the governance of the Company;
- c) Ensure that the best interests of the Company are considered paramount ;
- d) Devote sufficient time to Board/Company affairs;
- e) Assist the Company in the achievement of corporate strategic objectives;
- f) Ensure that he or she and the Board/Management as a whole acts in the best interests of the Company rather than in the interests of a director/ individual or any other interests; &
- g) Monitor his or her continued ability to meet these expectations;

iii. Specific Conduct as a Director

To enable the Board to discharge its collective responsibilities for stewardship, including oversight and strategic leadership, each Director shall:

- a) Maintain independence and objectivity only in representative nature of Stakeholder;
- b) Contribute views based on his or her unique skills and experience;
- c) Act consistently with the statutory and contractual obligations of the TCI Express Limited;
- d) Exercise authority as a Director only at meetings of the Board Committees or as specifically delegated by the Board;
- e) Monitor potential conflicts of interest he or she may have regarding any matters before the Board; and
- f) Declare any potential conflicts promptly to the Board and abstain from discussion and voting on any related matter. Potential conflicts of interest include a personal or business interest in a matter requiring Board decision, arising either directly (e.g. through an ownership or employment interest) or indirectly (e.g. through potential benefit from participation in as director).

iv. Specific Duties of Independent Directors as enumerated under the Act

An independent director shall:

- a) Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- b) Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- c) Strive to attend all meetings of the Board of Directors /Committees of the Board of which he is a member;
- d) Participate constructively and actively in the Board committees in which they are chairpersons or members;
- e) Strive to attend the general meetings of the company;
- f) Where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- g) Keep themselves well informed about the company and the external environment in which it operates;
- h) Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i) Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- j) Ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- k) Report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- l) Acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- m) Not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

v. **Principle of Confidentiality**

Confidential Information means all data and information relating to the business, management and affairs of the Company or of any person or market participant, including proprietary and trade secrets, technology and accounting records, which is or comes to be in the possession of the TCI Express Limited; provided, however, that Confidential Information shall not include any data or information which:

- i. Is or becomes publicly available with the permission of the TCI Express Limited in accordance with policies and procedure approved by the Board or the person or market participant who has provide the Confidential Information; or
- ii. Is required to be disclosed pursuant to court order or other legal Compulsion.

Each director/SMP shall keep all Confidential Information confidential and shall not use it for personal gain or use. This obligation survives the termination of a director/SMP as a director/SMP of the Company.

vi. Requests for Clarification

Requests for clarification of this Code should be directed to the Chair of the Committee. The Chair may seek the advice of the Independent Directors and will communicate his or her decision directly to the director/SMP whose conduct is at issue.

vii. Compliance

Directors/SMPs are required to sign annually an affirmation that they have read and understood and will comply with this Code.

VIII. TRAINING/FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

All the new directors shall be given formal induction and orientation promptly after the appointment. The programme shall familiarize the new director with the Company's vision, strategic direction, industry/business model of the Company, core values including ethics, corporate governance practices and other key policies and practices.

The Company shall provide suitable training & education to Independent Directors on matters which are relevant for the Board's effective performance. Such training/education may be provided in a variety of forms including external/internal training & education programs, seminars held by CII, ASSOCHAM, FICCI etc. from time to time on varied issues, presentations or briefing on particular topics, education materials & visit to TCI Express Limited branches & warehouses etc.

IX. EVALUATION MECHANISM & CRITERIA APPLICABLE THEREIN

A. Non-Independent Directors, Chairman & The Board As A Whole

- i. The independent Directors of the Company shall hold atleast one meeting every year without the attendance of non- independent directors and members of management. The meeting shall:
 - o Review the performance of non-independent directors and the Board as a whole;
 - o Review the performance of Chairperson of the Company, considering views of Executive/ Non-Executive Directors.
- ii. In the meeting, the independent Directors shall focus on each non-independent director and Board's/Chairman's contribution to the Company and specific focus on areas in which the Board or certain specific non-independent director could improve.
- iii. The results of this evaluation process shall determine whether the individual forming part of the Board brings the skills and expertise appropriate for the Company and how they work as a team.

B. Independent Directors

The performance evaluation of independent directors shall be done by the entire Board, excluding directors being evaluated. On the basis of performance evaluation, it shall be determined whether to extend or continue the terms of appointment of the independent directors.

C. EDs

The evaluation of EDs shall be done by the Committee on yearly basis predominantly based upon overall management performance as well as Company performance.

The performance of each of Board Member & Board as a whole shall be reviewed as per the structure of performance evaluation (**Annexure I**).

D. KMPs/SMPs (Excluding EDs)

- i. The evaluation of the KMPs/SMPs shall be done by the EDs through the Company's internal process as per the performance appraisal cycle.
- ii. At the beginning of each financial year, targets and Key Performance Indicators (KPIs) shall be fixed with mutual consent. Performance shall be assessed against KPIs as per appraisal cycle.
- iii. The evaluation report of KMPs/SMPs shall be submitted with the Committee for its perusal and concluding judgment.
- iv. Based on performance assessment & overall Company performance, total compensation for the next financial year shall be decided.
- v. The performance of KMPs/SMPs shall be reviewed as per the structure of performance evaluation (**Annexure II**).

E. Other Employees of the Company

- i. The evaluation of other employees shall be done by the EDs/SMPs respectively as per the performance appraisal cycle as well as organization performance evaluation form basis, in the format defined by the organization from time to time.
- ii. With regard to other employees, the appraisal shall be a two tier process i.e. Appraisal by the controlling/regional/functional heads followed by review by the SMPs & the Increment Committee, if any.
- iii. Based upon performance assessment of each SMP/other employee, the increments shall be granted within the limits approved by the Committee.

X. REMUNERATION

A. General

- i. The organization-wide annual budget for increments in remuneration shall be placed before the Committee with requisite details. The Committee shall peruse and approve the same accordingly. Increments will be effective from 1st April, unless otherwise decided.
- ii. Where any insurance is taken by the Company on behalf of its Directors/KMPs for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration.

XI. REMOVAL

A. Directors & KMPs

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions of the Act and all other applicable Acts, rules and regulations, if any.

B. SMPs

- i. The ED shall have all the requisite powers to remove SMPs subject to the provisions of the Act and all other applicable Acts, rules and regulations, if any, with reasons recorded in writing and to do all such acts, deeds and things as may be necessary & incidental thereto. However, such removal shall have to be ratified by the Committee in line with the Act.
- ii. Once the removal of SMP is duly ratified by the Committee, it shall forward its recommendation to the Board & the Board shall take note of it accordingly.

C. Other Employees

The SMPs shall have all the requisite powers to remove other employees, subject to the provisions of the Act & all other applicable laws, rules and regulations, if any with reasons recorded in writing and to do all such acts, deeds and things as may be necessary & incidental thereto subject to ratification by KMPs to this effect.

XII. SUCCESSION PLANNING

The committee shall satisfy itself that processes and plans are in place for orderly succession for appointments to the Board, KMP and to Senior Management to maintain an appropriate balance of skills on the board.

XIII. RETIREMENT

The Directors, KMPs, SMPs & other employees shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board/Company will have the discretion to retain them in the same position/ remuneration or otherwise even after attaining the retirement age.

XIV. DISCLOSURES

The Company shall make such disclosures on its website, Annual Report and at such other places as may be required under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and such Acts, Rules and Regulations as may be applicable on the Company from time to time including any amendments thereto.

XV. BOARD DIVERSITY

In order to ensure a balance composition of the Board, the Company shall consider candidates from a wide variety of backgrounds, shall not discriminate on the basis of gender, ethnicity and/or physical disability and shall ensure an appropriate mix of educational qualification, skills, competency and experience as required in the context of the business of the Company and sector for it to function effectively.

The Committee shall review the composition of the Board, basis above criteria's, from time to time and report to the Board, changes required, if any, in the composition of the Board.

XVI. AMENDMENTS

The Board of Directors on its own and /or as per the recommendations of the Committee may amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions given in this Policy and the Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.