

## **NOMINATION AND REMUNERATION POLICY**

### **OF**

### **TAC INFOSEC LIMITED**

#### **Introduction**

The Nomination & Remuneration Policy (“Policy”) of TAC Infosec Limited (“TAC” or “Company”) is formulated under the Companies Act, 2013 (“Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“Listing Regulations”) and other applicable laws (hereinafter referred to as “Relevant laws”).

The Policy has been duly approved and adopted by the Board pursuant to recommendations of Nomination and Remuneration Committee (“NRC”) of the Company.

#### **Objective**

The objective of this policy is:

- i. appointment and remuneration of the Directors, KMP and SMP;
- ii. determining qualifications, positive attributes and independence for appointment of a Director (Executive/Non-Executive/Independent) and recommend to the Board a policy relating to the remuneration for the Directors, KMP and SMP;
- iii. Formulating the criteria for performance evaluation of all Directors. and
- iv. Board diversity.

#### **Constitution of the Nomination and Remuneration Committee (“NRC or Committee”)**

The Board has constituted the “Nomination and Remuneration Committee” of the Board. This is in line with the requirements under the Act. The Board has authority to reconstitute this Committee from time to time.

#### **Definitions**

- a) **‘Board’** means Board of Directors of the Company.
- b) **‘Directors’** means directors of the Company.
- c) **‘Committee’** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.
- d) **‘Company’** means TAC Infosec Limited.
- e) **‘Independent Director’** means a Director referred to in Section 149(6) Act and rules and Listing Regulations.
- f) **KMP** means following people, which includes people identified by the Company under provisions of the Act.
  - i) the Managing Director or Chief Executive Officer or manager

#### **Mumbai**

2nd Floor, Kanganwala  
House, Plot No. 175 BKC,  
Mumbai 400098

#### **Pune**

Sky Loft, Creaticity Mall,  
Yerawada, Pune, Maharashtra,  
411006

#### **Punjab**

8th Floor, Plot No. C-203,  
Industrial Focal Point, Phase  
8B, Mohali, Punjab 160055

- ii) the Whole-time Director
- iii) the Company Secretary;
- iv) the Chief Financial Officer; and
- v) Any other person as defined under the Act from time to time.

**g) Senior Management** means officers/personnel of the Company includes;

- i. Key Managerial Personnel
- ii. One level below the Chief Executive Officer and Managing Director who are members of the core management and functional heads
- iii. Any other officer as determined by the NRC and the Board from time to time.

Words and expressions not defined in this policy shall have the same meaning as contained in the Act and the Listing Regulations.

**Scope of the Policy:**

The policy shall be applicable to the following in the Company:

- a) Directors
- b) KMPs
- c) SMPs

**Role of the NR Committee:**

The role of the NRC will be the following:

- 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.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

**Mumbai**

2nd Floor, Kanganwala  
House, Plot No. 175 BKC,  
Mumbai 400098

**Pune**

Sky Loft, Creaticity Mall,  
Yerawada, Pune, Maharashtra,  
411006

**Punjab**

8th Floor, Plot No. C-203,  
Industrial Focal Point, Phase  
8B, Mohali, Punjab 160055

**Matters to be dealt with and recommended by NRC to the Board, as may be required:**

The following matters shall be dealt by the Committee:

**a) Directors**

Formulate the criteria for determining qualifications, positive attributes and independence of Director and recommending candidates to the Board, inter-alia when circumstances warrant the appointment of a new Director, having regard to the variety of skills, experience and expertise on the Board and who will best complement the Board.

**b) Evaluation of performance**

Making recommendations to the Board on appropriate performance criteria for the Directors. Formulate criteria and framework for evaluation of every Director's performance.

**c) Familiarization**

Identifying familiarization and training programs for the Board to ensure that Non-Executive Directors are provided adequate information regarding the operations of the business, the industry and their duties and legal responsibilities.

**d) Remuneration framework and policies**

NRC is responsible for reviewing and making recommendations to the Board on the following:

- i. The remuneration of MD/CEO, KMP and SMP.
- ii. Individual and total remuneration of non-executive Directors and the chairperson (if non-executive), including any additional fees payable for membership of Board committees;
- iii. Remuneration Policy for all employees including KMP and SMP which would inter alia aim at:
  - a. Attracting and motivating talent to accomplish Company's long term growth.
  - b. Demonstrating a clear link between executive compensation and performance.
- iv. the Company's incentive compensation and equity based plans including a consideration of performance thresholds and regulatory and market requirements;

**e) Administration of Company's stock option schemes and all the related matters, as and when becomes applicable.**

**f) Board Diversity**

NRC shall ensure a transparent nomination process to the Board of Directors with the diversity of gender, thought, experience, qualification, knowledge and perspective in the Board.

**Mumbai**

2nd Floor, Kanganwala  
House, Plot No. 175 BKC,  
Mumbai 400098

**Pune**

Sky Loft, Creaticity Mall,  
Yerawada, Pune, Maharashtra,  
411006

**Punjab**

8th Floor, Plot No. C-203,  
Industrial Focal Point, Phase  
8B, Mohali, Punjab 160055

**Policy for appointment and removal of Director, KMP and SMP:**

**A. Appointment criteria and qualifications**

- i) The criteria for recommending appointment of a director, SMP & KMP would include educational background, relevant experience, expertise, general management capability, financial management, strategy, corporate governance, risk management, professional ethics, integrity, diversity etc. as applicable for the role. The NRC has discretion to decide, in the best interests of the Company, whether the qualifications, expertise and experience possessed by a person are sufficient for his or her appointment as a director, KMP or SMP in the Company.
- ii) In addition to the above, the appointment of directors including managing director(s), whole time director(s), non-executive director(s) and independent director(s) shall be in accordance with the provisions of the Act, including schedule IV and V of the Act and the rules made thereunder and the provisions of the Listing Regulations.
- iii) Based on the above criteria and the applicable laws, the NRC shall recommend to the Board the appointment of suitable candidates for the position of:
  - a) Managing Director/CEO/Whole time director
  - b) Non-executive director(s)
  - c) Independent Director(s)
  - d) SMPs and
  - e) KMPs who are not forming part of Board of directors
- iv) Appointment of directors is subject to approval of shareholders and applicable law.
- v) Additionally, approval of the audit committee is required for the appointment of the Chief Financial Officer.
- vi) Appointment of other employees shall be made on the basis of the experience, qualification, expertise of the individual as well as the roles and responsibilities required for the position and shall be approved by the HR function.

**B. Term /Tenure**

**i) Managing Director / CEO/ WTD**

Term of appointment or re-appointment of Managing Director or CEO/WTD not to exceed five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

**Mumbai**

2nd Floor, Kanganwala  
House, Plot No. 175 BKC,  
Mumbai 400098

**Pune**

Sky Loft, Creaticity Mall,  
Yerawada, Pune, Maharashtra,  
411006

**Punjab**

8th Floor, Plot No. C-203,  
Industrial Focal Point, Phase  
8B, Mohali, Punjab 160055

**ii) Non-Executive Directors**

Non-executive director's office is subject to retirement by rotation at the Annual general meeting in the manner as specified under relevant laws.

**iii) Independent Director**

An Independent Director shall hold office on the Board of the Company for a term as may be determined by the Board but in no case, not exceeding five years and shall not hold office for more than two consecutive terms.

**iv)** The term of appointment of SMPs and KMPs not forming part of the Board shall be governed by the prevailing HR policies of the Company.

**C. Retirement**

The Director, KMP and SMP shall retire as per the provisions of the applicable Act, and the prevailing policy of the Company. On the recommendation of the NRC, the Board if it considers to be in the Company's interest, shall have the discretion to retain Director, KMP and SMP even after attaining the retirement/prescribed age, if any.

**D. Removal**

In case any Director or KMP or SMP incurs any disqualification as provided under the Act or Rules made thereunder or is in breach of Code of conduct adopted by the Company, the NRC may recommend to the Board removal of such Director or KMP or SMP.

For any other matters, the terms of employment of the KMP or SMP would apply, as per the organizational policies and procedures.

**Policy for remuneration to MD/CEO/WTD, NEDs, KMP & SMP:**

**MD/CEO/WTD**

- i. The remuneration to be paid to the MD/CEO/WTD at the time of his/her appointment shall be recommended by the NRC and approved by the Board of Directors and the shareholders of the Company.
- ii. Annual increment /subsequent variation in remuneration to the MD/CEO/WTD shall be approved by the NRC/Board of Directors, as per the approval of shareholders of the Company in this behalf.

**Minimum Remuneration** – If in any financial year, the Company has no profits or its profits are inadequate, it shall pay remuneration to its MD and/or Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if the Company is not able to comply with such provisions, previous approval of the Central Government shall be required to be obtained.

**Mumbai**

2nd Floor, Kanganwala  
House, Plot No. 175 BKC,  
Mumbai 400098

**Pune**

Sky Loft, Creaticity Mall,  
Yerawada, Pune, Maharashtra,  
411006

**Punjab**

8th Floor, Plot No. C-203,  
Industrial Focal Point, Phase  
8B, Mohali, Punjab 160055

**NEDs:**

- i. NEDs shall be entitled to sitting fees as may be decided by the Board of Directors from time to time for attending the Meeting of the Board and sub-committees of the Board.
- ii. Commission as may be recommended by NRC and subsequently approved by the Board of Directors and wherever required, approval of the shareholders of the Company shall be obtained.
- iii. The NEDs shall be eligible for remuneration of such professional services rendered if in the opinion of the NRC, the NED possesses the requisite qualification for rendering such professional services.
- iv. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

**KMP & SMP:**

- i. The remuneration to be paid to the KMP and SMP, at the time of his/her appointment shall be recommended by the NRC and approved by the Board considering relevant qualification, experience and performance of the individual as well as the prevailing market conditions. The remuneration may be combination of fixed and variable pay including stock options;
- ii. Annual increment /subsequent variation in remuneration to the KMP/SMP shall be approved by the NRC/Board of Directors.

**Policy review:**

- a) This Policy is framed based on the provisions of the Act and rules thereunder and the requirements of Listing Regulations with the Stock Exchanges.
- b) In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.
- c) This policy shall be reviewed by the Nomination and Remuneration Committee, periodically. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.

**Approved on 12<sup>th</sup> January 2024**

**Chairman**

**Mumbai**

2nd Floor, Kanganwala  
House, Plot No. 175 BKC,  
Mumbai 400098

**Pune**

Sky Loft, Creaticity Mall,  
Yerawada, Pune, Maharashtra,  
411006

**Punjab**

8<sup>th</sup> Floor, Plot No. C-203,  
Industrial Focal Point, Phase  
8B, Mohali, Punjab 160055