



**THEJO ENGINEERING LIMITED**

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**APPOINTMENT AND REMUNERATION**  
**POLICY**

## **1. Preamble:**

This Appointment and Remuneration Policy relating to Appointment of Directors, Key Managerial Personnel and Senior Management and Remuneration of Directors, Key Managerial Personnel, Senior Management and Other Employees (“the Policy”) of Thejo Engineering Limited (“Thejo” / ”the Company”) has been formulated and recommended by the Compensation/Nomination and Remuneration Committee (“CNRC”/ “the Committee”) and approved by the Board of Directors, in accordance with the Companies Act, 2013 (“the Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR) Regulations”/”Listing Regulations”).

## **2. Objective:**

The objectives and purpose of this Policy are:

- 2.1 To formulate the criteria for determining qualifications, competencies, positive attributes, independence, and other related aspects for the appointment of a Director (Whole-time/Non-Executive/Independent), Key Managerial Personnel (“KMP”) and Senior Management of the Company; and
- 2.2 To frame the Policy regarding remuneration of the Directors, KMP, Senior Management and other employees.

## **3. Definitions:**

- 3.1 “Committee” means Compensation/Nomination and Remuneration Committee of the Board (“CNRC”) constituted in accordance with Section 178 of the Act and provisions of the SEBI (LODR) Regulations.
- 3.2 “Board” or “Board of Directors” means collective body of Directors of the Company.
- 3.3 “Independent Director” means a Director of the Company, not being a Whole-Time Director and who is neither a Promoter nor belongs to the Promoter Group of the Company and who satisfies other criteria for independence under the Act and the SEBI (LODR) Regulations.
- 3.4 “Key Managerial Personnel” means—
  - i. the Chief Executive Officer or the Managing Director or the Manager;
  - 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
- 3.5 “Senior Management” means-
  - i. the officers and personnel of the Company who are members of the core management team, excluding the Board of Directors;
  - ii. All the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors);
  - iii. the functional heads, by whatever name called;
  - iv. the Company Secretary; and
  - v. the Chief Financial Officer.
- 3.6 Words and expressions used in this Policy but not defined herein shall have the same meaning as defined under the Companies Act 2013 and the rules

framed thereunder, SEBI (LODR) Regulations and/ or any other applicable law or regulations, as deemed appropriate in the given context.

#### **4. Policy Statement:**

##### **4.1 Appointment and removal of Directors, KMP and Senior Management:**

###### ***Appointment:***

- a) The Committee shall identify and recommend persons who are qualified to become Directors and who may be appointed as Key Managerial Personnel or in Senior Management.
- b) The Committee shall follow the applicable criteria mentioned in the subsequent paragraphs to determine the qualifications, positive attributes, and independence of a Director, KMP or Senior Management and recommend candidates to the Board.
- c) The Committee shall ensure that the Board nomination process is in line with the Board Diversity Policy of the Company.
- d) While recommending the appointment/re-appointment of a person as a Director/Managing Director/Whole-time Director/Independent Director, the Committee shall consider the following criteria:
  - i) size of the Company, its line of business, portfolio and geographic spread;
  - ii) mix of diversity, balance of skills, experience and expertise, balance of Executive and Non-Executive Directors, avoidance of any potential conflict of interest;
  - iii) skills, professional qualifications, experience and expertise, integrity and values of the person; and
  - iv) any statutory requirements/compliances
- e) The Committee shall consider the integrity, qualification, expertise, experience, and any statutory requirement while recommending a person for appointment as a KMP or Senior Management.
- f) The Committee has discretion to decide whether the qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- g) A person, to be appointed as Director, KMP or Senior Management should possess impeccable reputation for integrity, expertise and insights in sectors / areas relevant to the Company, and ability to contribute to the Company's growth.
- h) For the purpose of identifying suitable candidates, the Committee may;
  - i) use the services of an external agencies, if required
  - ii) consider candidates from a wide range of backgrounds, having due regard to diversity and
  - iii) consider the time commitments of the candidates.
- i) For every appointment of an Independent Director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended for such role shall meet the description.
- j) The Committee shall formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors and determine 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.

###### ***Removal:***

The Committee may recommend to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions

and compliance of the Act, rules and regulations, under the following circumstances:

- if the person suffers any disqualification as contained in the Act, SEBI (LODR) Regulations, or under any other applicable statutory provisions;
- if the person is in breach of any of the Policy/Code of the Company which entails his/her removal from the services of the Company; or
- for any other valid reason that warrant his/her removal from the services of the Company in accordance with the Policies of the Company.

### **Retirement**

The Directors, KMP and Senior Management shall retire as per the applicable provisions of the relevant laws and the extant HR Policies of the Company. The Board will have the discretion to retain the Directors, KMP and Senior Management in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company, subject to approvals and compliance as required under the relevant laws.

## **4.2 Remuneration for Directors, KMP and Senior Management**

- a) The Remuneration for Directors, KMP and Senior Management shall be determined considering the following:
  - i) 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;
  - ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - iii) remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive/variable pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:
- b) The remuneration / compensation / commission etc. to be paid to Directors, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval.
- c) The remuneration and commission to be paid to the Directors, including Managing Director/Whole-time Director, shall be in accordance with the provisions of the Act, and the rules made thereunder.
- d) If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing/Whole-time Directors in accordance with the provisions of Schedule V of the Act and in accordance with the approval of the Shareholders at the time of their appointment.
- e) The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of relevant laws. If, in any financial year, the Company has no profits or its profits are inadequate, the Company may pay remuneration to its Non- Executive / Independent Directors in accordance with the provisions of Schedule V of the Act.
- f) Where any insurance is taken by the Company on behalf of its Directors, KMP and Senior Management for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.
- g) The Independent Directors shall not be entitled to any stock incentive/options of the Company.
- h) The compensation for other employees of the Company would be as per the

extant HR policy of the Company, as revised through the periodic compensation review process from time to time in line with such Policy.

## **5. Limitation and Amendment**

In the event of any conflict between the provisions of this Policy and any applicable law/regulation, such law/regulation shall prevail over this Policy.

Based on the recommendation of the Committee, the Board may amend or modify this Policy in whole or in part, at any time as it may deem necessary or pursuant to the amendments to the Listing Regulations and further guidelines and enactments that are issued by the Securities and Exchange Board of India from time to time.

Any amendment / modification in the Listing Regulations and/or applicable laws in respect of the subject matter of this Policy shall automatically apply to this Policy.