Tube Investments of India Limited
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TUBE INVESTMENTS OF INDIA LIMITED

Remuneration Policy

1. Preamble

This Remuneration Policy provides the framework for remuneration of members of the Board of Directors, Key Managerial Personnel, Senior management and other employees of Tube Investments of India Limited ("the Company"). This Policy is guided by the principles and objectives as enumerated in Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company. This Policy reflects the remuneration philosophy and principles of the Murugappa Group and considers the pay and employment conditions with peers/competitive market to ensure that pay structures are appropriately aligned.

2. Remuneration of Non-Executive Directors

2.1 Non-Executive Directors ("NEDs") are paid remuneration by way of Sitting Fees and Commission. The remuneration/commission/compensation to the NEDs will be decided by the Board in accordance with this Policy and subject to applicable conditions of SEBI LODR Regulations.

2.2 As approved by the shareholders, Commission is paid at a rate not exceeding 1% per annum of the profits of the Company computed in accordance with Section 198 of the Companies Act, 2013. The Commission paid is restricted to a fixed sum within the above limit annually on the basis of their tenor in office during the financial year.

2.3 The payment of the Commission to the NEDs is placed before the Board every year for its consideration and approval. The sitting fee payable to the NEDs for attending the Board and Committee meetings is fixed subject to the statutory ceiling. The fee is reviewed periodically and aligned to comparable best in class companies.

2.4 Keeping with evolving trends in industries and considering the time and efforts spent by specific non-executive directors, the practice of paying differential commission will be considered by the Board.

2.5 Independent Directors will not be eligible to receive stock options under the existing employee stock option scheme/plan ("ESOP") of the Company.

2.6 Where the annual remuneration payable to a single NED exceeds fifty per cent of the total annual remuneration payable to NEDs, the approval of the shareholders in the manner specified in applicable laws/regulations shall be obtained.

3. Remuneration of Executive Director

3.1 The compensation paid to the Executive Directors (including Managing Director) will be within the scale approved by the Shareholders. The elements of the total compensation are approved by the N&R ("Nomination & Remuneration") Committee within the overall limits specified under the Companies Act, 2013.

3.2 The fees or compensation payable to an Executive Director who is a Promoter or member of Promoter Group, shall be subject to the approval of shareholders in the manner prescribed under the applicable regulations, if the annual remuneration payable to such Executive Director exceeds the threshold limits as specified in applicable regulations, and the approval so granted shall be valid till the expiry of the term of such Director. For the purpose of this Policy, the terms 'Promoter' and 'Promoter Group' shall have the meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any amendment thereof.

3.3 The elements of compensation of the Executive Director include the elements as described in 4 below.

3.4 The N&R Committee will determine the annual variable pay compensation in the form of annual incentive and annual increment for the Executive Director based on Company's and individual's performance as against the pre-agreed objectives for the year.

3.5 The Executive Director, except a promoter director, is also eligible for ESOPs as per the Scheme/Plan in force from time to time. Grants under the Scheme/Plan shall be approved by the N&R Committee.

3.6 In case of inadequacy of profit in any financial year, the remuneration payable to the Executive Director shall be further subject to the relevant provisions of the Companies Act, 2013.

3.7 Executive Directors will not be paid sitting fees for any Board/Committee meetings attended by them.

4. Remuneration to Key Managerial Personnel/Senior Management/Other Employees

Senior Management for the purpose of this Policy shall mean officers and personnel of the Company who are members of its core management team excluding Board of Directors including members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager including any Functional Head by whatever name called and the persons identified and designated as Key Managerial Personnel, other than the Board of Directors.

4.1 The Company's total compensation for Key Managerial Personnel/Senior Management/other employees will comprise of:

– fixed compensation

– variable compensation in the form of annual incentive

– benefits

– work related facilities and perquisites and loans & advances in accordance with their service conditions.

– Such other benefits/perquisites as may be periodically determined relevant by the HR policies of the Company.

4.2 In addition, select senior executives will be eligible for long-term incentive plan in the form of ESOPs, as per the Scheme/Plan in force from time to time. Grants under the Scheme/Plan are approved by the N&R Committee.

4.3 The N&R Committee will recommend to the Board all remuneration, in whatever form, payable to Senior Management.

4.4 Fixed compensation will be determined on the basis of size and scope of the job typically as reflected by the level or grade of the job, trends in the market value of the job and the skills, experience and performance of the employee. Fixed compensation includes Basic Salary, Housing Allowance, Leave Travel Allowance, cash allowance etc.

4.5 The Annual Incentive (variable pay) of executives is linked directly to the performance of the relevant Business Unit and the Company in accordance with the Employees Incentive Scheme of the Company as formulated from time to time.

4.6 Based on the grade and seniority of employees, benefits for employees include:

4.6.1 Health-related:

(a) Health (hospitalization) insurance

(b) Accident and Life insurance

4.6.2 Retirement-related:

(a) Contribution to a Superannuation Fund (in addition to statutory benefits such as Provident Fund account, Gratuity etc).

4.7 Employees will also be eligible for work related facilities and perquisites as may be determined through HR policies issued from time to time based on the Grade of the employee.

4.8 A formal annual performance management process will be applicable to all employees, including senior executives and Key Management Personnel. Annual increases in fixed and variable compensation of individual executives are directly linked to the performance ratings of individual employee.

4.9 Overall compensation shall be subject to periodic reviews which takes into account data from compensation surveys conducted by specialist firms, as well as factors such as affordability based on the Company's performance and the economic environment.

4.10 Employees may be eligible for ESOPs as per the ESOP Scheme/Plan approved by the Shareholders and in force from time to time. The objective of the ESOP Scheme/Plan will be to reward employees for their contribution to the long term growth and profitability of the Company by providing a platform to share the value they create for the Company.

4.11 Employees may be eligible for severance payments in accordance with the termination clause in their employment agreement subject to applicable regulatory requirements.

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5. Adoption, Changes and Disclosure of Information

5.1 This Remuneration Policy and any changes thereof are approved by the Board of Directors as may be deemed necessary by the Board.

5.2 The Policy may be reviewed at such intervals as the Board or N&R Committee as may deem necessary.

5.3 Such disclosures of this Remuneration Policy as may be required under the Companies Act, 2013 and the SEBI Listing Regulations, 2015 may be made.