

NOMINATION & REMUNERATION POLICY

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NOMINATION & REMUNERATION POLICY

1. INTRODUCTION

Pursuant to Section 178 of the Companies Act, 2013, (“**the Act**”) the Board of every listed public company and the companies covered under Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 19 read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“**SEBI LODR Regulations**”), shall constitute the Nomination and Remuneration Committee (“**NRC**”) and formulate the NRC Policy (“**Policy**”) relating to the remuneration for the Directors, Key Managerial Personnel and other Employees.

The Policy is intended to set out criteria for payment of remuneration to Directors, Key Managerial Personnel (“**KMP**”), Senior Management Personnel (“**SMP**”) and other employees of the Company and to harmonize the aspirations of human resources with the goals of the Company.

2. DEFINITIONS

“**Act**” means the Companies Act, 2013 as may be applicable and Rules framed thereunder, as amended from time to time.

“**Board**” means the Board of Directors of the Company.

“**Company**” means Emmvee Photovoltaic Power Limited.

“**Committee**” means the Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable the SEBI LODR Regulations.

“**Directors**” means Directors of the Company.

“**Executive Directors**” means Whole-Time Directors of the Company.

“**Independent Director**” means a Director referred to in Section 149(6) of the Act and the rules made thereunder.

“**Key Managerial Personnel**” means

- Chief Executive Officer (“**CEO**”) or the Managing Director (“**MD**”) or the Manager;
- Whole-time director;
- Chief Financial Officer (“**CFO**”);
- Company Secretary (“**CS**”);
- Senior Management Personnel designated as such by the Board; and
- Such other officer as may be prescribed.

“**Senior Management Personnel**” means officers/ personnel of the Company who are members of its core management team excluding the Board and normally this shall comprise

all members of the Management one level below the CEO/ MD /Whole Time Director/Manager (including CEO/ Manager, in case they are not part of the Board), and specifically include functional heads by whatever name called and the persons identified and designated as KMP.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act and the SEBI LODR Regulations, as may be amended from time to time shall have the same meaning assigned to them therein.

3. ROLE OF NOMINATION AND REMUNERATION COMMITTEE

Role of the NRC would *inter alia* include the following:

- To identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down as approved by the Board and recommend to the Board their appointment and removal.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director.
- To recommend to the Board a Policy, relating to the remuneration for the Directors, KMP and other employees and the Committee while formulating the Policy to ensure that:
 1. 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;
 2. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 3. Remuneration to Directors, KMP and Senior Management 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.
- 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 to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board.

- Devising a Policy on diversity of Board.
- Determining the Company's Policy on specific remuneration packages for executive directors including pension rights and any compensation payment and determining remuneration packages of such directors.
- To recommend extension/continuation of term of Independent Directors/reappointment of an Independent Director, based on the report of performance evaluation.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.
- To perform such functions as delegated to the Committee under the Employee Stock Ownership Plan ("ESOP") or share based compensation Plan and that are required to be performed by NRC under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended ("SEBI SBEB Regulations").
- To perform such other functions as may be necessary or appropriate for the performance of its duties and such other matters as the Board may from time to time request the Committee to examine and recommend / approve.

4. COMPOSITION OF THE COMMITTEE AND PROCEDURE:

The composition of the NRC, its Chairperson, quorum, periodicity of its meetings and terms of reference shall be as per the charter of the Committee approved by the Board from time to time.

5. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, KMP AND SENIOR MANAGEMENT

- **Appointment criteria and qualifications**
 - a) NRC shall satisfy itself that the candidate proposed to be appointed as a Director, KMP or at the senior management level is a person of integrity and possesses relevant qualification, expertise and experience and recommend to the Board his/her appointment.
 - b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.
 - c) The Company shall not appoint or continue the employment of any person as MD/Whole-time Director/Manager who is below the age of twenty-one years or has attained the age of seventy years. Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.

- d) Appointment of Independent Directors is subject to compliance with the provisions of Section 149 of the Act, read with schedule IV and rules made there under and also the SEBI LODR Regulations.

- **Term/Tenure**

a) Managing Director/Whole-time Director/Manager:

The Company shall appoint or re-appoint any person as its MD or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and the appointment, re-appointment of an Independent Director, shall be subject to the approval of shareholders by way of a special resolution.
 - No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each and such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director, provided during the said period of three years the Independent Director shall not be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
 - At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director.
 - Independent Directors shall register themselves in the databank of Independent Directors in accordance with the provisions of Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.
 - Unless exempt, the Independent Directors shall pass the online proficiency self-assessment test as per the provisions of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.
- **Removal**
Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or SMP subject to the provisions and compliance of the said Act, rules and regulations.
 - **Retirement**
The Director, KMP and SMP shall retire as per the applicable provisions of the Act or as per the prevailing Policy of the Company. The Board will have the discretion to retain a Director, KMP, SMP in the same position/remuneration or otherwise even after attaining

the age of superannuation, for the benefit of the Company, subject to compliance with the applicable provisions of law.

6. POLICY RELATING TO THE REMUNERATION OF THE MANAGING DIRECTOR/WHOLETIME DIRECTORS/EXECUTIVE DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL

1. The remuneration/ compensation/commission, ESOPs or any other share-based compensation or any other components/benefits to the MD /Wholetime Directors/Executive Directors will be determined by the NRC and recommended to the Board for approval.
2. The remuneration and commission to be paid to the MD/ Wholetime Directors/ Executive Directors shall be in accordance with the percentage/limits/conditions laid down in the Articles of Association of the Company, as per the provisions of the Act and the SEBI LODR Regulations and wherever applicable, shall be subject to the approval of the shareholders of the Company.
3. Increments to the existing remuneration/compensation structure in the case of Executive Director may be recommended by the Committee to the Board which should be within the limits approved by the shareholders and in accordance with the provisions of Schedule V of the Act.
4. Where any insurance is taken by the Company or its Holding Company on behalf of the Company's Executive Director, CEO, CFO, the CS and any other employees 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.

Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

5. Remuneration of other KMP or SMP shall be as per the Policy of the Company as duly approved by the Committee.
6. Reimbursement of Expenses: The Directors would be entitled to reimbursement of expenses incurred for attending the Board/ Committee meetings and other meetings.
7. The remuneration structure shall normally be divided between fixed and variable components as required under the provisions of the Companies Act, 2013 and as envisaged in SEBI LODR Regulations as given under:

Fixed pay:

The MD/ Wholetime Directors/ Executive Directors, KMP and SMP shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to provident fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/the Person authorized by the Board on the

recommendation of the Committee and approved by the shareholders, wherever applicable. The monthly remuneration of SMP shall be as per the Policy of the Company duly approved by the Committee.

Commission:

Commission may be paid to the MD/ Wholetime Directors/ Executive Directors, as may be applicable, within the monetary limit approved by the shareholders, subject to the limits prescribed under the applicable provisions of the Act/SEBI LODR Regulations.

Stock Options:

The MD/ Wholetime Directors/ Executive Directors, KMP and SMP shall be eligible for Stock options in accordance with Scheme formulated by the Company.

Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its MD/ Whole-time Directors/ Executive Directors in accordance with the provisions Schedule V of the Act.

Provisions for excess remuneration:

If any MD/ Wholetime Directors/ Executive Directors draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the approval required under the Act, he/ she shall refund such sums to the Company as prescribed under the Act and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless approved by the shareholder as prescribed under the Act.

7. REMUNERATION TO NON-EXECUTIVE/ INDEPENDENT DIRECTORS

Remuneration/ Commission:

The remuneration/ commission shall be fixed as per the limits and conditions mentioned in the Articles of Association of the Company, the Act and the SEBI LODR Regulations. The Board of Directors shall decide the amount of commission payable to individual directors on the basis of parameters including but not limited to attendance record, chairmanship/membership of Committees and contribution & participation on important matters having regard to their area of expertise.

In case the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, it shall be subject to the approval of shareholders by special resolution.

Sitting Fees:

The Non-Executive/ Independent Directors may receive remuneration by way of fees for attending meetings of Board or Committee thereof not exceeding Rs.1,00,000 (Rupees One

Lakh only) per Director per Meeting of the Board or Committee or such amount as may be prescribed under the Act from time to time.

Stock Options:

An Independent Director shall not be entitled to any stock option of the Company. Non-Executive Directors are eligible for Stock options in accordance with Schemes formulated by the Company.

8. REVIEW AND AMENDMENT

The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Committee has the right to change/ amend the Policy as may be expedient taking into account the law for the time being in force. In case of any subsequent changes in the provisions of the Act or the SEBI LODR Regulations or other applicable regulations which makes any of the provisions in the Policy inconsistent with the Act or the SEBI LODR Regulations or other applicable regulations, then the provisions of the Act or such regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

9. DISSEMINATION OF POLICY

This Policy shall also be hosted on the website of the Company and the details of this Policy, including the evaluation criteria, shall be mentioned in the Board's report.
