



NOMINATION AND REMUNERATION POLICY

KINTECH RENEWABLES LIMITED

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NOMINATION AND REMUNERATION POLICY:

In terms of the provisions of the section 178 of the Companies Act, 2013, applicable rules made thereunder (the Act, for short) and also under Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR), the Board of Directors the Company is required to constitute a Nomination and Remuneration Committee (the Committee, for short). Accordingly, a Nomination and Remuneration Committee is constituted and this Policy is formulated in compliance with the provisions of section 178 of the Act read along with the applicable rules thereto and the applicable provisions of LODR.

APPLICABILITY OF THE POLICY

1. Directors (Executive, Non-Executive and Independent Directors)
2. Senior Management Personnel
3. Key Managerial Personnel
4. Employees as may be decided by the Nomination and Remuneration Committee

Words and expressions used and not defined in this Policy but defined in the Act, the rules made thereunder and LODR, shall have the meanings respectively assigned to them in those legislation.

OBJECTIVES AND PURPOSE OF THE POLICY

The Objectives and purpose of this policy are:

1. To formulate the criteria for evaluation of performance of the all the directors on the Board.
2. To devise a policy on Board diversity.
3. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and
4. To lay out remuneration principles for employees linked to their effort, performance and achievement relating to company's goals.

COMPOSITION OF THE COMMITTEE:

The committee shall comprise of at least three directors;

1. all directors of the committee shall be non-executive directors; and
2. at least one-half of the directors shall be independent directors.
3. The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013, the Rules made thereunder and the provisions of LODR and also as and when it deems fit to reconstitute the Committee.
4. The Chairperson of the nomination and remuneration committee shall be an independent director:

Provided that the chairperson of the listed entity, whether executive or non-executive, may be appointed as a member of the Nomination and Remuneration Committee and shall not chair such Committee.

Membership of the Committee shall be disclosed in the Annual Report. The terms of the Committee shall be continued unless terminated by the Board of Directors.

ROLE OF THE COMMITTEE:

The role of committee shall, inter-alia, include the following:

- (1) 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;
- (2) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (3) devising a policy on diversity of board of directors;
- (4) 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;
- (5) 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.

POLICY FOR BOARD DIVERSITY:

- i. The Board shall consist of such number of Directors, including atleast one woman Director and not less than fifty percent of the Board of Directors comprising of non-executive directors, as is necessary to effectively manage the Company of its size.
- ii. When the Chairperson of the Board is a non-executive director, at least one-third of the Board should comprise of independent directors and in case the Company does not have a regular non-executive Chairperson or in case the regular non-executive Chairperson is a promoter of the Company, at least half of the Board should comprise of independent directors.
- iii. The Committee will lead the process for Board appointments. All Board appointments will be based on the skills, diverse experience, independence and knowledge which the Board as a whole requires to be effective. The Committee shall seek to address Board vacancies by actively considering candidates that bring a diversity of background and opinion from amongst those candidates with appropriate background and industry or related expertise and experience. The candidates will be considered against objective criteria, having due regard to the benefits of diversity of the Board.

- iv. Additionally the Board may consider appointment of experts from various specialized fields such as finance, law, information technology, corporate strategy, marketing and business development, international business, operations management etc. so as to bring diversified skill sets on board or succeed any outgoing director with the same expertise.
- v. The Committee has discretion to decide adequacy of qualification, expertise and experience possessed for the concerned position.
- vi. A whole-time Key Managerial Personnel of the Company shall not hold office in more than one company, except in its subsidiary company, at the same time. However, whole time Key Managerial Personnel can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

QUALIFICATIONS, INDEPENDENCE & EVALUATION:

A. Appointment Criteria and Qualifications:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level 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 discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

The Committee has discretion to consider and fix the criteria for appointment / selection of the most suitable candidates for the Company.

B. Recommendation of appointment for approval of Board:

If the candidate is able to satisfy the criteria laid down by the Committee, the Committee shall recommend appointment of such person for approval of the Board, after completion of the selection process.

The Committee may recommend the candidates to the Board when:

- a) any vacancy in the Board is required to be filled due to resignation or retirement of any Board Member, or
- b) any vacancy arisen out of annual performance evaluation of the Board, or
- c) any vacancy as a result of end of tenure in accordance with the Act, Rules made thereunder and in terms of applicable regulations of LODR, or
- d) any change required in the Board on account of its diversity policy, or
- e) any change required by the law.

C. Positive attributes of Directors / Independent Directors:

Directors to:

- a) Demonstrate integrity, trustworthiness and ability to handle situations of conflict
- b) Update their knowledge and skills with the latest developments in legal provisions, in the renewable energy industry and also in the market conditions in which the Company operates;
- c) Devote sufficient time and attention to the business and to address issues proactively;
- d) Take independent judgment on issues of business strategy, risk management, key appointments and code of conduct;
- e) Develop an effective relationship with Board Members and the senior management;
- f) Protect the interests of the Company, its stakeholders and employees; Independent Directors of the Company shall also meet the requirements of the Act read with the Rules made thereunder and provisions of the relevant regulations of LODR, as in force and as amended from time to time.

Independent Directors of the Company shall also meet the requirements of the Act read with the Rules made thereunder and provisions of the relevant regulations of LODR, as in force and as amended from time to time.

D. Standards of Independence:

The Committee shall lay down criteria to evaluate the independence of Directors for recommending to the Board for appointment / reappointment. A Director is independent if he /she does not have a direct or indirect material pecuniary relationship with the Company, including its affiliates or any member of senior management. Also, the candidate shall be evaluated based on the criteria provided under the applicable provisions of the Act read with Rules thereon and LODR. In addition to applying these guidelines, the Board will consider all other relevant facts and circumstances in making its determination relating to an independence of a Director.

E. Evaluation of performance and Independence Review Procedures:

The Committee shall determine a process for evaluating the performance of every Board Member, the Committees of the Board and the Board on an annual basis. The Committee shall also review its own performance on an annual basis. The Committee may also take the support of external experts for this purpose.

1. Annual Evaluation: The Board will determine the independence for the independent director on an annual basis upon the declaration made by such independent director.
2. Determination of Director's Independence: The Board shall determine independence of candidate to the position of independent director prior to appointment in case his/her appointment is considered between two Annual General Meetings of the Company.
3. Change of Independent Status: Each director shall inform the Board with respect to any change in his / her independent status.

F. Evaluation of performance of executive directors and determination of remuneration:

The Committee shall evaluate the performance of the managing director/s by setting key result areas and performance parameters at the beginning of each financial year and it shall ensure that the said performance objectives are aligned with the present and future goals of the Company. The Committee shall consider and recommend the remuneration of the managing director or whole-time director for approval of the Board and Members of the Company. The remuneration may include basic salary, benefits, allowances, perquisites, commission, etc. The Committee shall also ensure that the remuneration is in accordance with applicable law and has an adequate balance between fixed and variable component.

G. Criteria for appointment of KMP/Senior Management:

The Committee shall lay down criteria like qualifications, expertise and experience required for senior management positions like managing director & CEO, CFO and Company Secretary of the Company. The Committee may make recommendation to the Board for the appointment/reappointment and any change required to the senior management positions of the Company. Key Managerial Personnel / Senior Management shall:

- a) Possess the requisite qualifications, expertise and experience to effectively discharge assigned responsibilities;
- b) Comply with the provisions of the Code of Conduct & Ethics
- c) Practice professionalism
- d) Encourage transparent working environment; and
- e) Establish an effective leadership, build teams and include team members to achieving targets of the Company;

On an annual basis, the Committee shall evaluate the performance of the senior management of the Company. The Committee shall also ensure that the remuneration to the key managerial persons and senior management involves a balance between fixed and variable/ incentive pay reflecting short term and long term performance objectives.

H. Criteria for making payments to Non-Executive Directors:

The Committee may determine a commission payable to the non-executive directors after taking into their contribution to the decision making at Board / Committee Meetings, active participation and time spent as well as providing strategic inputs and supporting highest level of Corporate Governance and Board effectiveness. Commission, if decided to be paid, shall be within the overall limits prescribed in the Act and as may be fixed by the Members of the Company.

The payment of commission to the Non-Executive Directors of the Company who are neither in the whole time employment nor managing directors shall be approved by the shareholders of the Company. The Committee and the Board shall, in accordance with the approval of the shareholders of the Company, determine the manner and extent upto which the commission shall be paid to the Non-Executive Directors. Further, the following is the criteria for remuneration:

- a) Sitting Fees upto Rs. 1 Lac for each meeting of the Board or any Committee thereof, attended.
- b) Commission, if approved by the Board and the shareholders of the Company to be paid to the Non-Executive Directors, on the basis of participation in the meetings of Board and Audit Committee at the rate within the prescribed limits of the Act and the Rules made thereunder.
- c) Payment of Commission, if payable, to be made annually on determination of profits of the Company for particular financial year.
- d) Directors may be reimbursed for the expenses incurred for attending any meeting of the Board or Committees thereof, and which may arise from performance of any special assignments given by the Board.

TERM / TENURE:

The Nomination and Remuneration Committee of the Company will ensure that remuneration and terms of employment are competitive and help the Company to attract and retain competent employees.

The Committee will ensure that remuneration package shall be reasonable and sufficient to attract, retain and motivate the employees. The Committee will also consider the performance objectives appropriate to the objectives of the Company. The Committee will also see that the policy ensures that remuneration is linked with the attainment of performance targets assigned to employees.

Executive Remuneration will be recommended by the Committee for approval by the Board of Directors. There will be annual evaluation of performance. The Committee may also consult with the management of the Company as and when required. The details of remuneration of the Board of Directors and Key Managerial Personnel of the Company will be disclosed in the annual financial statements of the Company.

SUCCESSION PLANNING:

The objective of the succession planning is that the Company is well prepared for either planned changes or unplanned changes. Planning for succession for all critical positions of the Company involves assessment of opportunities, challenges and threats and also an evaluation of expertise, talent and skills that would be required in future. The Nomination and Remuneration Committee will develop plan for effective succession to the Board and senior level management, which the Board will review from time to time. The said Committee will endeavor to develop a talent pool of candidates for different critical positions which may be considered to fill the gap in the positions at Board level and Senior Management level. Process for planning for succession may include identification of internal candidates, motivation and development plans for internal candidates, and also identification of external candidates. The Committee will formulate an emergency succession contingency plan for unforeseen events like death, disability, resignations, etc. The Committee will try to ensure that a talent pool is established to ensure continuity of leadership for all critical positions in the Company at all times.

REVIEW OF POLICY AND REPORTING:

The Committee will review the Policy as and when required, which will include an assessment of the effectiveness of the Policy. The Committee will discuss any revisions that may be required and recommend any such revisions to the Board for approval.

The Board may, as and when required by the Committee, assess the adequacy of this Policy and make any necessary or desirable amendments to ensure it remains consistent with the objectives and applicable law.

The Committee shall report to the Board on all matters arising at the Committee Meetings and, where applicable, shall present the Committee's recommendations to the Board for its approval. In case of any conflict between the provisions of this Policy and LODR or the Companies Act, 2013 or any other statutory enactments, the provisions of LODR or the Companies Act, 2013 or other statutory enactments, shall prevail over this Policy.

This Policy is formulated taking in view extant provisions of the LODR / the Companies Act, 2013 / other applicable statutory enactments. In case of any confusion or doubt with respect to any provision of this Policy or as and when the Committee / Board deems necessary to review this Policy or its provisions, the Committee / Board will take an appropriate decision. Further, this Policy and its provisions are subject to any modification, revision, replacement, variation, deletion, addition or amendment in accordance with the regulatory amendments and guidelines as may be issued / imposed by SEBI or any other competent authority, from time to time.