



INDIA POWER CORPORATION LIMITED

CIN: L40105WB1919PLC003263

NOMINATION & REMUNERATION POLICY

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NOMINATION & REMUNERATION POLICY

India Power Corporation Limited (hereinafter referred to as the “Company”) continuously strives to provide employees, a strong sense of ownership, professional respect and pride, resulting in high morale and performance. The Company also embraces the benefits of having a diverse Board with an optimal combination of qualification, professionalism, knowledge and experience. The Nomination & Remuneration Policy (hereinafter referred to as the “Policy”) of the Company is based on this philosophy.

The Policy has been formulated in terms of the provisions of the Companies Act, 2013 (hereinafter referred to as the “Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the “Listing Regulations”), by the Nomination and Remuneration Committee (hereinafter referred to as the “Committee”) and is approved and adopted by the Board of Directors (hereinafter referred to as the “Board”) of the Company.

OBJECTIVES AND PURPOSE OF THE POLICY

In line with the requirements of the Act and the Listing Regulations, the objectives and purpose of the Policy are as follows:

- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Board, Key Managerial Personnel (hereinafter referred to as “KMPs”), Senior Management Personnel (hereinafter referred to as “SMPs”) of the Company to run the Company successfully;
- To ensure that the relationship of remuneration to performance is clear and meets appropriate benchmarks;
- To ensure that remuneration to Directors, KMPs and SMPs of the Company 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.

SMPs shall mean Officers/Personnel of the Company who are members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.

For the purpose of the Policy, members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager shall cover all employees of the Company designated as President and above.

APPOINTMENT AND REMOVAL OF DIRECTORS, KMPs AND SMPs

➤ **Directors**

The Committee shall based on the recommendations of any Director/Management of the Company, identify potential candidates with appropriate qualification, knowledge, expertise and experience.

A person, to be appointed as Director should possess impeccable reputation, deep expertise and insights in sectors/areas relevant to the Company, ability to contribute to the Company’s growth, complementary skills in relation to the other Board Members amongst other attributes.

The Committee shall ascertain the integrity, qualification, expertise and experience of the person for appointment as a Director and recommend to the Board their appointment. Such Director shall be appointed in accordance with the procedure prescribed under the Act and the Listing Regulations for the time being in force.

Factors like eligibility criteria, independence, term and tenure of a Director shall be in accordance with the provisions of the Act and the Listing Regulations for the time being in force.

The Committee may recommend with reasons, removal of a Director subject to and compliance of the provisions of the Act and Listing Regulations.

➤ **KMPs and SMPs**

In case of KMPs (excluding Executive Directors), appointment or removal as proposed by the Company, shall be recommended by the Committee and subsequently approved by the Board in accordance with provisions of the Act and Listing Regulations for the time being in force.

In case of SMPs (excluding KMPs), the appointment or removal shall be approved by any Executive Director of the Company and any one Member of the Committee and shall be placed before the Committee and the Board for noting at their subsequent meeting.

REMUNERATION OF DIRECTORS, KMPS, SMPs AND OTHER EMPLOYEES

➤ **Remuneration to Non - Executive Directors including Independent Directors**

The Non - Executive Directors including Independent Directors of the Company may be paid sitting fees for attending the Meetings of the Board of Directors or its Committees thereof, as may be determined by the Board from time to time, within the limit prescribed under the Act.

Non - Executive Directors including Independent Directors may also be paid commission as may be approved by the Shareholders of the Company subject to the limits prescribed under the Act. The Commission payable shall be determined by the Board of Directors of the Company from time to time.

Besides the sitting fees and commission, the Non - Executive Directors including Independent Directors shall also be entitled to reimbursement of expenses as may be incurred by the Directors while performing their role as a Director of the Company.

An Independent Director shall not be entitled to any stock option of the Company.

➤ **Remuneration to Executive Directors**

The remuneration to be paid to Executive Directors shall be governed by the provisions of the Act and the Listing Regulations. The remuneration shall be recommended by the Committee and approved by the Board and Shareholders of the Company.

The Executive Directors may also be paid commission in accordance with the provisions of the Act and the Listing Regulations, if authorised by the Shareholders of the Company. The Commission payable shall be determined by the Board of Directors of the Company from time to time based on the recommendation of the Committee.

Any increase in remuneration, if authorised by the Shareholders of the Company, shall be approved by the Board and/or any Committee thereof as may be authorised in this regard and shall be within the overall limits approved by the Shareholders and prescribed under the Act and the Listing Regulations.

The Executive Directors shall not be paid any fees for attending the Meeting of the Board and its Committees thereof. The Executive Directors shall be entitled to any stock option of the Company.

➤ **Remuneration to KMPS & SMPs**

In case of KMPS (excluding Executive Directors), the remuneration as proposed by the Company shall be recommended by the Committee and subsequently approved by the Board in accordance with provisions of the Act and Listing Regulations for the time being in force.

In case of SMPs (excluding KMPS), the remuneration shall be approved by any Executive Director of the Company and any one Member of the Committee and shall be placed before the Committee and the Board for noting at their subsequent meeting.

The KMPS (excluding Executive Directors) and SMPs shall be entitled to increment annually or at such intervals as may be considered appropriate, on the basis of individual performance, business unit performance and organizational performance which shall be approved by any Executive Director of the Company and any one Member of the Committee.

The revision in remuneration of KMPS (excluding Executive Directors) and SMPs from time to time, shall be placed before the Committee and the Board for noting at their subsequent meeting.

The KMPS and SMPs shall be entitled to any stock option of the Company.

➤ **Remuneration to other Employees**

The remuneration to be paid to Employees (excluding Executive Directors, KMPS and SMPs) shall be determined from time to time on the basis of evaluation by Human Resource Department in consultation with the respective Head of Department. All Employees of the Company shall be entitled to any stock option of the Company.

SUPPLEMENTARY PROVISIONS

- Unless the context otherwise requires, the words and expressions used in this Policy and not defined herein but defined under the Act and/or the Listing Regulations shall have the meaning respectively assigned to them therein.
- The implementation of the Policy shall be monitored by the Committee from time to time. The Committee may review the Policy as and when it deems fit and recommend any changes or modifications for approval of the Board of Directors.
- In case of any subsequent changes in the provisions of the Act or the Listing Regulations which makes any of the provisions in the Policy inconsistent with the Act or the Listing Regulations, then the provisions of the Act or the Listing Regulations would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with the Act or the Listing Regulations.