MANIKARAN POWER LIMITED

NOMINATION AND REMUNERATION POLICY

PREFACE:

Title	Nomination and Remuneration Policy
Version No.	2.01
Effective Date	20.05.2020
Issued by	NRC Committee
Approved by	Board of Directors
No. of Revisions	1
Revision date	15.05.2020

NOMINATION AND REMUNERATION POLICY

INTRODUCTION:

In terms of Section 178 of the Companies Act, 2013 (as amended from time to time), this policy on Nomination and Remuneration of Directors, Key Managerial Personnel(KMP) and Senior Management of Manikaran Power Limited has been formulated by the Nomination & Remuneration Committee and approved by the Board of Directors.

This policy shall act as guidelines on matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel and Senior Management.

DEFINITIONS:

In this policy unless the context otherwise requires,-

a) **"Act"** means the Companies Act 2013 and rules there under, as amended from time totime.

b) **"Company"** means "Manikaran PowerLimited".

c) **"Board"** means "Board of Directors" of Manikaran PowerLimited.

d) **"Director"** means Directors of the Company other than independent directors and Non-Executive directors.

e) **"Independent Director"** means a Director referred to in Section 149 (6) of the Companies Act,2013.

f) **"Committee"** means "Nomination & Remuneration Committee" of the Company as constituted by the Board from time totime.

g) **"M&FH"** Managerial &Functional Head of the Company.

h) **"Key Managerial Personnel or KMP"** means Managing Director, Joint Managing Director, Whole-time Director, Chief Executive Officer, Company Secretary, Chief Financial Officer, and such other persons who may be considered to be KMP under the Companies Act, 2013 or as may be identified by the Board.

i) **"Senior Management Personnel"** means officers/personnel of the Company who are members of its Core Management Team excluding Board of Directors and includingmembersofManagementonelevelbelowtheManagingDirector/Executive Directors (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall include Company Secretary and Chief Financial Officer.

j) **"ASR"** Annual Salary Review.

k) **"SLy"** Salary Level.

The words and expressions used but not defined herein, but defined under the Companies Act, 2013 shall have the meaning assigned therein.

CONSTITUTION OF THE "NOMINATION & REMUNERATION COMMITTEE":

The Board has the power to constitute / reconstitute the Committee from time to time in order to make it consistent with Company's policies and applicable statutory requirements. The composition of the Company shall be in line with the requirements of the Act and Listing Regulations.

The Company Secretary of the Company shall act as the Secretary of the Committee.

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

KEY OBJECTIVES OF THE COMMITTEE:

a) To guide the Board in relation other appointment and changes in Directors and Key Managerial Personnel;

b) To formulate criteria for determining qualifications, positive attributes and independence of directors;

c) To recommend M&FH that may be appointed as Key Managerial Personnel in accordance with the policy in vogue;

d) To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;

e) To 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.

f) To recommend to the Board remuneration payable to the Directors and Key Managerial Personnel and Senior Management Personnel;

g) To develop a succession plan for the Board and to regularly review the plan;

h) To decide 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.

i) Consider any other matters as may be prescribed under the Act or as may be requested by the Board from time to time.

FREQUENCY OF MEETINGS:

The meeting of the Committee shall be held at regular intervals as may be deemed fit and appropriate with at least one meeting in a year.

The quorum for the Committee Meeting shall be either two members or one-third of the members of the Committee, whichever is greater, including at least one Independent Director in attendance.

The Chairman of the Committee or in his absence any other member of the Committee authorized by him on his behalf shall attend the Annual General Meeting of the Company.

The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

The Nomination & Remuneration Committee shall establish a mechanism to carry out its functions, any/all of its powers to any of the Executive/Whole-time Directors and/or Senior M&FH of the Company, as deemed necessary for proper and expeditious execution.

COMMITTEE MEMBERS INTEREST:

A member of the Committee is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/her performance is being evaluated.

APPOINTMENT OF DIRECTOR, KEY MANAGERIAL PERSONNEL & SENIOR MANAGEMENT:

Appointment Criteria & Qualification:

The appointment of Director, Key Managerial Personnel and Senior Management will be based on the outcome of strategic planning.

The recruitment process for selection to aforementioned categories of personnel commences after the approval of manpower requisitions by the appointing authority (depending upon the SLy levels). Relevant approval of concerned is also obtained as part of the process, as deemed fit depending upon the level of hiring.

The Committee shall consider the standards of qualification, expertise and experience of the candidates for appointment as Director, Key Managerial Personnel and accordingly recommend to the Board his/her appointment.

Remuneration to Key Managerial Personnel, Senior Management Personnel and other employees:

a) The Key Managerial Personnel, Senior Management Personnel and other employees shall be paid remuneration as per the Compensation and Benefit Policy of the Company as revised through the Annual Salary Review process from time to time.

b) The Human Resource department will inform the Committee, the requisite details on the proposed increments for every Annual Salary Review cycle / process including payouts for the variable part (Performance Incentive).

c) The composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate the Key Managerial Personnel and Senior Management of the quality required to effectively run the Company. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks.

d) The market salary survey for total remuneration is commissioned with external consultants. The Basket of companies chosen for the survey are selected and finalized by HR department in consultation with concerned department making requisition.

e) Revision in remuneration of Key Managerial Personnel assuming position of a director within the meaning of the Act, shall require prior approval of the Nomination &Remuneration Committee and the Board. Such Director shall not participate in discussion and voting thereon.

f) The remuneration, including revision in remuneration, payable to Senior Management shall be recommended by the Committee to the Board of Directors.

g) Remuneration to Non-Executive & Independent Directors.

Sitting Fees

The Non-executive Directors and Independent Directors of the Company are entitled to sitting fees as determined by Board from time to time for attending Board / Committee meetings thereof in accordance with the provisions of Companies Act, 2013.

MINUTES OF COMMITTEE MEETING:

The Proceedings of all the "Nomination & Remuneration Committee" meetings must be minuted and signed by the Chairman of the Committee. The minutes of the Committee meetings will be tabled at the subsequent Board and Committee meetings.

AMENDMENTS TO THE NOMINATION AND REMUNERATION POLICY:

The Board on its own and/or as per the recommendations of Nomination and Remuneration Committee can amend this policy, as deemed fit from time to time.