

# PREMIER SOLAR POWERTECH PRIVATE LIMITED

## NOMINATION AND REMUNERATION POLICY



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**PREMIER SOLAR POWERTECH PRIVATE LIMITED**

An ISO 9001 : 2008 Certified Company

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This Nomination and Remuneration Policy (the “**Policy**”) is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto (the “**Act**”). This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Managerial Personnel has been formulated by the Nomination and Remuneration Committee (“**the Committee**”) and has been approved by the Board of Directors of the company (the “**Board**”).

### Definitions

“**Remuneration**” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

“**Key Managerial Personnel**” (“**KMP**”) means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary.

“**Senior Managerial Personnel**” mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads. Each capitalized term used and not otherwise defined herein shall have the meaning ascribed to such term in the Companies Act, 2013.

### Objective

The objective of the policy is to ensure that

- 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;
- relationship of Remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, KMP and Senior Managerial Personnel 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.

### Role of the Committee

The role of the Committee will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.



- To formulate criteria for evaluation of performance of KMP, Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed to Key Managerial and Senior Managerial Positions in accordance with the criteria laid down in this Policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment, removal and Remuneration of Directors, KMP and Senior Managerial Personnel.
- To recommend to the Board, this Policy relating to nomination and Remuneration for Directors, KMP and Senior Managerial Personnel.
- To devise a policy on Board diversity, composition and size.
- Succession planning for replacing Directors, KMP and Senior Managerial Personnel and overseeing implementation of plan.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

### **Frequency of Meetings**

The meeting of the committee shall be held at such regular intervals as may be required.

### **Appointment and Removal of Director, Key Managerial Personnel and Senior Management**

- (a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Managerial Personnel and recommend his / her appointment, as per this Policy.
- (b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the 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 (70) years (the "**Retirement Age**"). Provided that the term of the person holding this position may be extended beyond the Retirement Age with the approval of shareholders by passing a special resolution in which case the explanatory statement annexed to the notice of such motion shall indicate the justification for appointing such a person.

### **Term / Tenure**

#### **a) Managing Director/Whole-time Director**

The company shall appoint or re-appoint any person as Managing Director or Executive Director for a term not exceeding five (05) years at a time. No re-appointment shall be made earlier than one (01) year before the expiry of term.



## **b) Independent Director**

An Independent Director shall hold office for a term of one (01) year or any such period not exceeding five (05) years at a time, and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two (02) consecutive terms of upto a maximum of five (05) years each, but such Independent Director shall be eligible for appointment after expiry of three (03) years on ceasing to be an Independent Director.

Provided that an Independent Director shall not, during the said cooling off period of three (03) years between two tenures, 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 the number of Boards on which such an Independent Director serves simultaneously, does not exceed the maximum limit prescribed under the Act, provided that the number of listed companies in which such a person can serve as an Independent Director is restricted to seven (07) listed companies or three (03) listed companies in case such person is a Whole-time Director of a listed company or such other number as may be prescribed under the Act. For reckoning the limit of companies in which such a person may serve simultaneously as an Independent Director, directorships held in companies incorporated outside India that are not registered as a "Foreign Company" doing business in India, shall be excluded.

### **Evaluation**

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary. The reappointment, removal or remuneration recommendations by the Committee will be based on results of such evaluation.

### **Removal**

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the company.

### **Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ Remuneration or otherwise even after attaining the Retirement Age, for the benefit of the company.

### **Policy for Remuneration to KMP/Senior Management Personnel/Independent Directors**

#### **1) Remuneration to KMP and Senior Managerial Personnel**

- (a) The Remuneration to be paid to KMP shall be governed as per provisions of the Act or any other enactment for the time being in force and the approvals obtained from the members of the Committee.



- (b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to Remuneration to Managing Director and Whole-time Directors.
- (c) The Remuneration to KMP shall consist of fixed pay and incentive pay, allowances etc., in compliance with the provisions of the Act and in accordance with this Policy.
- (d) The Remuneration to Senior Managerial Personnel shall be in accordance with this Policy.
- (e) The fixed pay shall include monthly Remuneration, employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.
- (f) The incentive pay shall be decided based on the balance between performance of the company and performance of the KMP and Senior Managerial Personnel, to be decided annually or at such intervals as may be considered appropriate.

## 2) **Remuneration to Non- Executive / Independent Directors**

- (a) The Non-Executive / Independent Directors may receive sitting fees and such other Remuneration as permissible under the Act. The amount of sitting fees shall be such as may be recommended by the Committee and approved by the Board.
- (b) All the Remuneration of the Non- Executive / Independent Directors (excluding Remuneration for attending meetings as prescribed under Section 197 (5) of the Act) shall be subject to ceiling/ limits as provided under Act or any other enactment for the time being in force. The amount of such Remuneration shall be such as may be recommended by the Committee and approved by the Board or shareholders of the company, as the case may be.
- (c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the company.
- (d) Any Remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the Remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - i) The services are rendered by such Director in his capacity as the professional; and
  - ii) In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.
- (e) The Compensation Committee of the company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

### **Implementation**

- The Committee may delegate any of its powers to one or more of its members.

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