JAIPRAKASH

POWER VENTURES LIMITED

(Reviewed on 27th April, 2024)

NOMINATION AND REMUNERATION POLICY

Introduction:

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Company is required to ensure that Shareholders remain informed and confident in the management of the Company. To harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 as amended from time to time this policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors. The philosophy behind the formulation of this policy is inculcating a culture of leadership with trust.

The objectives and purposes of this policy are:

i) To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management, Key Managerial Personnel and other employees and to determine their remuneration.

ii) To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies and also in the power industry reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

iii) To provide a clear cut relationship of remuneration to effort, performance, dedication and achievement relating to the Company's operations.

iv) To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting.

Constitution of the Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of following Directors of the Company for the time being, constitution of which may change from time to time:

Sr. No.	**Name**	**Position**
1.	Smt. Binata Sengupta	Chairperson
2.	Dr. Vandana R. Singh	Member
3.	Shri Rama Raman	Member
4.	Shri Pritesh Vinay	Member

The Board has the power to reconstitute the Committee consistent with the applicable statutory requirements as and when required.

The Committee shall meet at least once a year to carry out responsibilities assigned to it.

The Quorum for a meeting of the Nomination and Remuneration Committee shall be either two members or one third of the total strength of the committee, whichever is greater, with presence of at least one Independent Director in the meeting.

Definitions :

i) **"The Policy"** means Nomination and Remuneration Policy for Board Members, Key Managerial Personnel and other Employees

ii) **"The Act"** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

iii) **"The Committee"** means the Nomination and Remuneration Committee of the Company as constituted or re-constituted by the Board, in accordance with the Act and applicable regulations of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 as amended from time to time and/ or regulations.

iv) **"Company"** means Jaiprakash Power Ventures Limited

v) **"Independent Director"** means a Director appointed as such in accordance with the requirements laid down by the Companies Act, 2013 and the Rules framed thereunder; and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 as amended from time to time.

vi) **"Key Managerial Person"** means key managerial personnel as defined under Section 2(51) of the Companies Act, 2013 and amendments made from time to time and includes the following personnel in the Company :

a) the Chief Executive Officer or the Managing Director or the Manager;

b) the Whole Time Director

c) the Company Secretary; and

d) the Chief Financial Officer.

e) such other officer, not more than one level below the directors, who is in whole-time employment and designated as Key Managerial Personnel by the Board.

vii) **"Senior Management"** means 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 and Chief Operating Officer.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability

The Policy is applicable to :

i) Directors (Executive and Non Executive)
ii) Key Managerial Personnel
iii) Senior Management Personnel
iv) Other employees

General

This Policy is divided in three parts:

Part – A covers the matters to be dealt with and recommended by the Committee to the Board

Part – B covers the appointment and nomination and

Part – C covers remuneration and perquisites etc.

The key features of this Company's policy shall be included in the Board's Report.

PART – A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:

i) Formulate the criteria for determining qualifications, positive attributes and independence of a director.

ii) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.

iii) Recommend to the Board, appointment/re-appointment and removal of Director, KMP and Senior Management Personnel.

PART – B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

Appointment criteria and qualifications:

1. 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 who are one level below the Executive Directors and CFO and Company Secretary and recommend to the Board his / her appointment and remuneration payable to them.

2. 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.

3. The Committee shall determine and draw out a chart/matrix setting out the skills/expertise/competence of the directors together with the list of core skills/ expertise/ competencies as identified by the Board in the context of the Company's business and those actually available with the Board.

4) The names of the directors who possess such skills/expertise/ competence.

5) The Committee shall also recommend to the Board, that the independent directors fulfill the conditions specified in the SEBI(Listing Obligation and Disclosure Requirements) Regulations 2015 and are independent of the Management.

6. Nomination and Remuneration Committee while evaluating the potential candidates, considers a variety of personal attributes, including experience, intellect, foresight, judgment and transparency and match these with the requirements set out by the Board.

In accordance with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules 2014,as amended :

(i) An Independent Director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations of other disciplines related to the Company’s business.

(ii) None of the relatives of an Independent Director should be indebted to the Company, its holding, subsidiary or associate company or their promoters or directors or

(iii) Has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate company or their promoters or directors of such holding company for an amount of Fifty Lakhs Rupees, at any time during the two immediately preceding financial year or the current financial year.

Broadly, the following criteria have been set for selection of Independent Directors based on:

(i) Independence from Management.
(ii) No substantial shareholding.
(iii) Other significant relationship which may cause a conflict of interest.
(iv) Capability of taking fair decisions without being influenced.
(v) Independent Directors are expected to balance the decision making process of the Board by constructively challenging the Company's strategy and exercise due diligence.
(vi) Independent Directors should possess the requisite business and industry expertise in the domain the Company operates in.
(vii) Independent Directors should be competent enough to work effectively like a team member as well as leader with the other Directors of the Board and committees.
(viii) Independent Directors should contribute constructively in the Board's deliberations.

7. The age, term of appointment and retirement of Managing Director / Whole-time Director shall be determined in accordance with the provisions of Companies Act, 2013 read with Rules made thereunder.

8. The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent to act as a Director;
- Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made; and
- Such other requirements as may be prescribed from time to time, under the Companies Act, 2013, SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 as amended from time to time and other relevant laws.

9. The Company shall not appoint or continue the employment of any person as Managing Director / Whole-time Director who has not attained the age of twenty one years and 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 person for the position of Director / Managing Director / Whole-time Director should not be disqualified under Section 164 and Section 196, read with Schedule V of the Companies Act, 2013 and the Rules made thereunder.

10. A person shall not serve as director in more than such number of companies as may be prescribed from time to time under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. As per the present limit prescribed under Section 165 of the Companies Act, 2013, a person shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies. Further, as per SEBI (LODR) Amendment Regulations, 2018, a person shall not be a Director in more than eight listed companies w.e.f. 1st April, 2019 and shall not be a Director in more than seven listed companies w.e.f. 1st April, 2020.

11. A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

12. Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of Independence as provided under law.

Term / Tenure:

1. **Managing Director/Whole-time Director:**
The Company shall appoint or re-appoint any person as its Managing Director or Whole-time 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.

2. **Independent Director:**

i) NRC shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determination of independence when any new interests or relationship are disclosed by a Director.

ii) The criteria of independence shall be as laid down in Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 as amended from time to time

iii) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company 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.

iv) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

v) The Company will issue a letter of appointment to Independent Directors. This letter of appointment will set out the terms and conditions of the engagement and the performance expectations for the role and remuneration of that Director. The said terms and conditions must be approved by the Board and accepted by the Director.

vi) The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as Directors of the Company. The NRC shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board. 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 and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

3. **Removal**:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 as amended from time to time or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations."

4. **Retirement**:

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing HR 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.

5**. Training**:

The Company shall provide suitable in-house or institutional training to Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc.

PART – C

POLICY RELATING TO THE REMUNERATION FOR THE MANAGING DIRECTOR, WHOLE-TIME DIRECTOR, KMP, SENIOR MANAGEMENT PERSONNEL, NON-EXECUTIVE / INDEPENDENT DIRECTORS AND OTHER EMPLOYEES

General:

i) The remuneration / compensation / commission etc. to the Managing Director

/Whole-time Director, KMP, Senior Management Personnel and Non-Executive / Independent Directors will be approved by the Board based on the recommendations of the Committee. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

ii) The remuneration to be paid to the Managing Director /Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made there under.

iii) Overall remuneration practices should be consistent with the recognized best practices, market competitiveness driven by the role played by the individual, reflective of size of the Company, complexity of the Sector / Company's operations and the Company's capacity to pay.

iv) Where any insurance is taken by the Company on behalf of its Managing Director /Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary 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.

Remuneration to Managing Director /Whole-time Director/ KMP and Senior Management Personnel:

i) **Salary, benefits, perquisites and retirement benefits**

a) The Managing Director /Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break up of the pay scale, benefits and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees, stock options etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) The Committee may recommend an increase in existing remuneration structure to the Board within the limits as approved by the Shareholders.

ii) **Minimum Remuneration**:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director / Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

iii) **Provisions for excess remuneration:**

If any director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limit prescribed under the provisions of the Companies Act, 2013 or without approval required therein, he shall refund such sums to the

company, within two years or such lesser period as may be allowed by the company, and until such sum is refunded, hold it in trust for the company.

The company shall not waive the recovery of any sum refundable to it unless approved by the shareholders by special resolution within two years from the date the sum becomes refundable.

iv) **Re-imbursement of Expenses:**

The Company shall reimburse actual expenditure incurred by the Executive Directors in the performance of their duties as per the rules and policies of the Company.

Remuneration to Non- Executive / Independent Director:

i) **Remuneration / Commission**:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

ii) **Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof, an amount as may be approved by the Board within the limits prescribed under the Companies Act, 2013 and the rules made there under, provided that the amount of such fees shall not exceed Rs. One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time. The sitting fees for Independent Directors and Women Directors shall not be less than the sitting fee payable to other directors.

iii) **Stock Options:**

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

iv) **Re-imbursement of Expenses**

The Company shall reimburse the Directors all travelling, hotel, and other incidental expenses properly and reasonably incurred by them in the performance of duties as per provisions of the Companies Act, 2013 in conjunction with the Company rules and policies.

Remuneration to Other Employees:

i) Other employees of the Company shall be paid remuneration as per the Company's HR policies. The breakup of the pay scale and quantum of perquisites including employer's contribution to PF, pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policy.

ii) Remuneration of other employees shall be reviewed / decided on an annual basis or earlier if deemed necessary, based on performance appraisal of individual

employees taking into account several factors such as job profile, qualifications, seniority, experience, commitment including time commitment, performance and their roles and duties in the organization.

Policy Implementation and Review

a) The Board is responsible for approving and overseeing the implementation of the Policy.

b) This Policy is subject to further review by the Board, as it may consider appropriate, on the recommendation of Nomination and Remuneration Committee.