

HIRANMAYE ENERGY LIMITED
[FORMERLY INDIA POWER CORPORATION (HALDIA) LIMITED]

NOMINATION AND REMUNERATION POLICY

INTRODUCTION

Hiranmaye Energy Limited (“the Company”) believes in the values of "Human Resources" and realises its significance in the business success. The Company has been built on the active assistance, commitment, dedication, hard work and loyalty of its employees. The Board is committed to transparent, fair and sound policies for determining appropriate remuneration at all levels of the Company.

The Company’s Remuneration Strategy, whilst focusing on remuneration and related aspects of performance management, is aligned with and reinforces the employee value proposition of a superior quality of work life, that includes an enabling work environment, an empowering and engaging work culture and opportunities to learn and grow.

The Compensation approach endeavours to align each employee with the Company’s goals.

VISION

Effective people management for creating competitive advantage for all stakeholders and creating a transparent system for determining the appropriate level of remuneration to Directors, Key Managerial Personnel (KMP) and other Senior Management Personnel (SMPs).

OBJECTIVE

- To attract, nurture and retain the best talent by inculcating a culture of learning, performing, developing creativity and teamwork;
- To ensure reasonable remuneration to the Directors, KMP and other SMPs so as to motivate them to run the Company successfully;
- To ensure that the remuneration is proportionate to the level of performance and meets appropriate performance benchmarks.

INTERPRETATIONS

Terms used in this Nomination and Remuneration Policy shall have the same meaning assigned to them in the Companies Act, 2013, as amended from time to time.

MONITORING OF THE POLICY

The implementation of the Nomination and Remuneration Policy shall be monitored by the Nomination and Remuneration Committee of the Board constituted as per the provisions of the Companies Act, 2013.

ROLES AND RESPONSIBILITIES OF THE COMMITTEE

Nomination of Board Members

The Nomination and Remuneration Committee shall identify potential candidates with appropriate qualification, knowledge, expertise and experience.

While evaluating a Director for recommending to the Board, the Committee shall take into consideration various criteria that are in the best interests of the Company and its stakeholders, some of which are given hereunder:

- Educational qualifications and experience of the candidate so as to be in terms with the applicable laws, rules, regulations as laid down in the Companies Act, 2013, listing agreement and other applicable acts;
- Willingness of a person to act as such;
- The candidate should reflect the highest standards of integrity, ethics and character, and value such qualities in other;
- Demonstrate the capacity and desire to represent, fairly and equally, the best interests of the Company's stakeholders as a whole;
- Access the present as well as future needs of the Company. Further, while nominating Directors, it must be ensured that the Board is structured in a way that:
 - it has proper understanding of and expertise to deal with the present as well as emerging business issues
 - exercises independent judgement
 - encourage enhanced performance of the business as a whole.

Further, in addition to the above criteria, the appointment of Independent Directors of the Company shall also be guided by the terms and conditions in compliance with Schedule IV to the Companies Act, 2013 including the following:

- The appointment of Independent Directors shall be independent of the company management. While selecting Independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively;
- The appointment of Independent Directors shall be approved at the meeting of the Shareholders;
- The appointment of Independent Directors shall be formalised through a letter of appointment stating the requisite details as per the requirements of Schedule IV to the Companies Act, 2013;
- The Independent Directors shall be appointed for a fixed term of upto five years or such lesser term as may be decided mutually between the Board and the Directors and shall be eligible for re-appointment for a further term of upto five years on passing a special resolution by the Company. Further, no Independent Director shall hold office for more than two consecutive terms. However, they shall be eligible for re-appointment after the expiration of cooling period of three years of ceasing to become an Independent Director;
- The Independent Directors shall be responsible for complying with the duties as specified under Section 166 of the Companies Act, 2013. Further, their liabilities shall also be limited to the respective provisions of the Companies, 2013 and Rules made there under;
- Independent Directors shall be expected to ensure compliance with the Code of Conduct, if any laid down by the Company;

Nomination of KMP and SMPs

The Human Resource (HR) Department shall identify suitable candidates for appointing them as KMPs (excluding Executive Directors) or SMPs of the Company on the basis of their academic, professional qualifications, relevant work experience, skill and other capabilities suitable to the position of concerning KMP or SMP.

Further, in case of KMP (excluding Executive Director) appointment, approval of the Board of Directors/ concerned Committee shall be taken in accordance with provisions of relevant Act, statutes, regulations etc. existing as on that date. The resignation/removal of KMPs shall be placed before the Committee and / or Board of Directors at regular intervals.

Remuneration

The Committee shall:

- ensure that the compensation to the Board, KMPs and other SMPs is reasonable and sufficient to attract, retain and motivate them;
- approve any significant changes in the executive director's contract;
- ensure that there is balance between fixed pay and incentive based pay (if any) in the remuneration to be paid the Directors, KMPs and other SMPs.

Director / Key Managerial Personnel Remuneration

Remuneration of KMP is determined and recommended by the Nomination and Remuneration Committee and approved by the Board. Remuneration of the Managing Director / Whole-time Director / Manager is also subject to the approval of the shareholders. The Company may pay remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to Managing and Whole-time Directors. Salary shall be paid within the range approved by the shareholders. Commission, if any, shall be calculated with reference to net profits of the Company in a particular financial year and shall be determined by the Board of Directors at the end of the financial year based on the recommendations of the Nomination and Remuneration Committee, subject to overall ceilings stipulated in Sections 197 read with Schedule V of the Companies Act, 2013.

Senior Management Employees Remuneration

The salary of other SMPs shall be competitive and based on the individual's qualification, experience, responsibilities and performance and shall be governed by the norms of the Company.

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