



**NOMINATION AND REMUNERATION
POLICY
OF
IRM ENERGY LIMITED**
(Formerly known as IRM Energy Private Limited)

1. INTRODUCTION:

IRM Energy Limited (the "Company") has formulated Nomination and Remuneration Policy (the "Policy") is formulated in compliance with Section 178 of the Companies Act, 2013 (the "Act") read along with the applicable rules thereto and SEBI (Listing Obligations & Disclosure Requirements) 2015 ("Listing Regulations") 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 Nomination and Remuneration and Compensation Committee (NRC or the Committee) and has been approved by the Board of Directors.

While formulating this Policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under:

- a) 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;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to Directors, KMP and senior management 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.

2. OBJECTIVE AND SCOPE:

This Policy is intended to achieve the following objectives:

- a) To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive including Independent Directors), Key Managerial Personnel (KMP) and persons who may be appointed in senior management positions.
- b) To provide framework for remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel and align with the Company's business strategies, values, key priorities and goals.
- c) To provide to Key Managerial Personnel and Senior Management Personnel reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

The policy shall be applicable to Directors, KMP and SMP.

3. COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE (NRC):

The Board of Directors of the Company shall constitute a NRC in compliance with Section 178 of the Act, consisting of the following board members:

1. Chairperson (Independent Director)
2. Member (Independent/Non – Executive Director)
3. Member (Independent/Non – Executive Director)

The quorum for a meeting of the NRC 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

Further that half of the members of the committee shall be Independent Directors

4. ROLES AND RESPONSIBILITIES OF THE NOMINATION AND REMUNERATION COMMITTEE

The Responsibilities of the Committee shall be such as prescribed under the Act and Rules made thereunder and Part D of Schedule II of the Listing Regulations (as amended from time to time).

5. POLICY

This Policy is divided into 3 parts:

- Part – A covers matters to be dealt with and recommended by the Committee to the Board;
- Part – B covers appointment and nomination; and
- Part – C covers remuneration and perquisites etc. This policy shall be included in the Report of the Board of Directors

➤ **PART A: MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE**

The following matters shall be dealt by the NRC:

- (a) Size and composition of the Board:
Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions;
- (b) Directors:
Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board.
- (c) Succession plans:
Establishing and reviewing Board and senior management succession plans;
- (d) Evaluation of performance:
Make recommendations to the Board on appropriate criteria for evaluation of every directors' performance.
- (e) Board diversity:
Devising a policy on diversity of the Board of Directors;
- (f) Remuneration framework and policies:
The Committee is responsible for reviewing and making recommendations to the Board on:
 - (a) the remuneration of the Managing Director, Whole-time Directors, KMPs and Senior Management.

Explanation- "Senior Management" 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.

(b) the total remuneration of Non-Executive Directors and for individual remuneration to Non- Executive Directors and the Chairman, including any additional fees payable for membership of Board committees;

➤ **PART B - APPOINTMENT AND REMOVAL OF DIRECTOR, KMPs AND SENIOR MANAGEMENT**

• **Appointment criteria and qualifications**

1. The Committee shall identify and ascertain, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his / her appointment.
2. The Company shall not appoint or continue the employment of any person as Managing Director / Whole - Time Director or Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended at the discretion of the committee 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.
3. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.
4. A director shall not be a member in more than ten committees or act as chairperson of more than five committees across all listed entities in which he is a director, which shall be determined as follows:
 - The limit of the committees on which a director may serve in 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;
 - For the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered.

• **Term / Tenure**

1. Managing Director / Whole-time Director/CEO
The Company shall appoint Managing Director (MD) or Chief Executive Officer (CEO) or Manager or Whole-time director (WTD).

If a MD or WTD is appointed, the Company shall appoint or re-appoint any person as its MD or WTD 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

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.

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.

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 (Executive) Director of a listed company.

• Removal

Due to reasons for any disqualification mentioned in the Act and rules made thereunder 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 or KMP subject to the provisions and compliance of the said Act, rules and regulations.

• Retirement

The Whole-time Directors, KMP and senior management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP and senior management personnel in the same position/ remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

➤ **PART C - REMUNERATION FOR DIRECTORS AND KMPS**

1. The remuneration / compensation / commission etc. to Directors will be determined by the Committee and recommended to the Board for approval.

2. The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director.
4. Where any insurance is taken by the Company on behalf of its Managing Director, Chief Financial Officer, the Company Secretary 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.
5. The remuneration to KMP's shall be decided and recommended by the NRC and approved by the Board of Directors
6. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.
7. The remuneration payable to each Non-Executive Director(s) is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made thereunder.
8. The remuneration to the Non-executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
9. The Independent Directors shall not be entitled to any stock option of the Company.

6. DISCLOSURE

This policy shall be disclosed in the Board Report.

7. LIMITATION AND AMENDMENT

The Board of Directors may in their discretion and on recommendation of the NRC, make any changes/modifications and/or amendments to this Policy from time to time.

Requirements with respect to quorum, notice of meeting, documentation, etc shall be in conformity with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government, unless expressly stated otherwise.

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.

Footnotes:

(a)The Board approved the Policy at its meeting held on December 05, 2018

(b)The Board amended the Policy at its meeting held on September 24, 2022