



NOMINATION
AND
REMUNERATION POLICY

EXIDE ENERGY PRIVATE LIMITED

(formerly known as EXIDE LECLANCHE ENERGY PRIVATE LIMITED)

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1.0 Introduction

- 1.1** Remuneration at Exide Energy Private Limited (formerly known as Exide Leclanche energy Private Limited) (“the Company”) is based on the principles of performance, equitableness and competitiveness. This Nomination & Remuneration Policy has been designed to reflect these principles and to attract, motivate and retain quality manpower for driving the Company successfully.
- 1.2** This Nomination & Remuneration Policy is based on the requirements of Section 178 of the Companies Act, 2013.
- 1.3** This Policy applies to the Board of Directors, Key Management Personnel (KMPs) and Senior Management Personnel (SMPs) of the Company.
- 1.4** This Remuneration Policy shall be effective from July 29th 2019.

2.0 Objectives

- 2.1** The objectives of this Policy are:
- (a) Formulation of the criteria for determining qualifications, positive attributes of Directors, KMPs and SMPs and also independence of Independent Directors;
 - (b) Aligning the remuneration of Directors, KMPs and SMPs with the Company’s financial position, remuneration paid by its industry peers etc.;
 - (c) Performance evaluation of the Board, its Committees and Directors including Independent Directors;
 - (d) Ensuring Board diversity;
 - (e) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down;
 - (f) Directors’ induction and continued training;

3.0 Definitions

3.1 “Act” means the Companies Act, 2013.

3.2 “Board” means Board of Directors of the Company.

3.3 “Director” means Director as defined under Section 2(34) of the Companies Act, 2013.

3.4 “Committee” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time in accordance with the provisions of Companies Act, 2013.

3.5 “Company” means Exide Energy Private Limited (formerly known as Exide Leclanche Energy Private Limited) (EEPL).

3.6 “Independent Director” means a director referred to in Section 149(6) of the Companies Act 2013.

3.7 “Key Managerial Personnel” (‘KMP’), means:

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Company Secretary;
- (iii) any Whole-Time Director;
- (iv) the Chief Financial Officer; and
- (v) such other officer as may be prescribed under the Companies Act, 2013, as amended from time to time.

3.8 “Senior Management Personnel” (‘SMP’) means the members of the Executive Committee (EXCOM) of the Company, excluding Whole Time Directors and shall specifically include CFO and CS.

4.0 Guiding Principles

4.1 The Company shall follow the following guiding principles in order to attract, motivate and retain talent in the Company:

- (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, KMPs and SMPs 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.

5.0 General

This Policy is divided in five parts:

Part-A covers criteria for determining qualifications, positive attributes of Directors, KMPs and SMPs and also independence of Independent Directors.

Part-B covers Induction and Training of Directors.

Part-C Covers Performance Evaluation of Board, its Committees and Directors including Independent Directors.

Part-D Covers Remuneration of Directors, KMPs and SMPs.

Part-E Covers Board Diversity.

6.0 PART-A

Criteria for determining qualifications, positive attributes of Directors, KMPs and SMPs and also independence of Independent Directors

1. The Nomination and Remuneration Committee shall identify and ascertain the integrity, qualifications, expertise and experience of the person for appointment as Director, KMP and SMP and recommend to the Board his/her appointment.
2. A person should possess adequate qualifications, expertise and experience for the position he/she is considered for appointment as a Director. The Committee has discretion to decide whether qualifications, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position and are in accordance with the provisions of the Act.
3. The Committee shall ensure that a person proposed to be appointed as an Independent Director satisfies the criteria laid down under the Act.
4. The appointment and tenure of Directors, Independent Directors, KMPs and SMPs shall be in accordance with the provisions of the Act.

7.0 PART-B

Induction and Training of Directors

1. On appointment, Directors shall receive a Letter of Appointment setting out in detail, the terms of appointment, duties, roles and responsibilities. Each newly appointed Director will be taken through a formal induction programme.
2. The induction process should be designed to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc.
3. It shall be ensured that the Directors are updated as and when required of their roles, responsibilities and liabilities.
4. The Company may organize site visits for Directors from time to time.

8.0 PART-C

Performance Evaluation of Board, its Committees and Directors

The evaluation of the performance of the Board, its Committees and Directors shall be carried out on an annual basis. The performance of the Board and Committees thereof shall be evaluated against their terms of reference. Evaluation of the performance of Directors shall include consideration of their skills, performance and contribution to the Board, Company strategy and Board Committees, their availability and attendance at Board and Committee Meetings.

9.0 PART-D

Remuneration of Directors, KMPs and SMPs

1. The remuneration of the Executive Directors, KMPs and SMPs should be based on Company's financial position, industrial trends, remuneration paid by peer companies. The remuneration should be reasonable and sufficient to attract retain and motivate the aforesaid persons.
2. Remuneration to Executive Directors shall be paid by way of salary (including fixed pay and variable pay), perquisites and retirement benefits, based on recommendation of the Committee and approval of the Board and Shareholders. The overall managerial remuneration shall be within the ceilings stipulated under Section 197 read with Schedule V of the Act.
3. The Non-executive directors shall be paid remuneration by way of sitting fee for attending the meetings of the Board and Committees thereof and may also be paid Commission based on overall ceiling stipulated under the Act.
4. The KMPs and SMPs shall be paid remuneration approved by the Board of Directors upon recommendation of the Committee.
5. Increments in the existing remuneration of Executive Directors, KMPs and SMPs shall be approved by the Committee within the limits prescribed under the Act.

10.0 PART-E

Board Diversity

Board appointments will be based on merit and candidates will be considered on the basis of their skills, knowledge, experience and background, gender and other distinguishing qualities, having due regard to the effectiveness of the Board. It will be ensured that the Board possesses a balance of skills appropriate for the requirements of the business of the Company. The Directors should have a mix of finance, legal, academic and management backgrounds that taken together provide the Company with considerable experience in a range of activities including varied industries, education, government, banking, investment and other professions.

11.0 Applicability of the Nomination & Remuneration Policy

This Nomination & Remuneration Policy shall apply to all future appointments of Directors, KMPs and SMPs.

12.0 Amendment

Any modification / amendment in this Policy may be carried out by the Board on the recommendation of the Nomination and Remuneration Committee. This policy will be subject to change as per amendment in the Companies Act, 2013 and applicable rules.

13.0 Dissemination

The key features of this Policy shall be published in the Annual Report and uploaded on the website of the Company in accordance with the Companies Act 2013.

This policy was initially approved by the Board of Directors at its meeting held on 29, July 2019.