Inox Clean Energy Limited

Nomination and Remuneration Policy

1. Preface:

a. The present Human Resource Policy of the Company considers human resources as its invaluable assets and has its objective the payment of remuneration to all its employees appropriate to employees' role and responsibilities and the Company's goals based on the performance of each of its employees in the Company.

b. This Nomination and Remuneration Policy (NR Policy) has been formulated, *inter alia*, for nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other Employees of Inox Clean Energy Limited (hereinafter referred to as the Company), in accordance with the requirements of the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations").

2. Objectives of this NR Policy:

a. To lay down criteria for identifying persons who are qualified to become Directors and who may be appointed in Senior Management of the Company in accordance with the criteria laid down by NR Committee and recommend to the Board their appointment and removal.

b. To lay down criteria to carry out evaluation of every Director's performance.

c. To formulate criteria for determining qualification, positive attributes and Independence of a Director;

d. To determine the composition and level of remuneration, including reward linked with the performance, which is reasonable and sufficient to attract, retain and motivate Directors, KMP, Senior Management Personnel and other employees to work towards the long term growth and success of the Company.

3. Definitions:

a. "Board" means the Board of Directors of the Company.
b. "Directors" means the Directors of the Company.
c. "Committee" means the Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time.
d. "Company" means Inox Clean Energy Limited.
e. "Key Managerial Personnel" (KMP) means
   - Managing Director; or Chief Executive Officer; or Manager and in their absence, a Wholetime Director;
   - Company Secretary;
   - Chief Financial Officer
f. "Senior Management Personnel" means, the officers and personnel of the Company who are members of its core management team, excluding Board of Directors and KMPs, comprising of all members of management on level below the Chief Executive Officer or Managing Director or Whole time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of the Directors) and specifically include the functional

heads by whatever name called and the persons identified and designated as Key Managerial Personnel, other than the Board of Directors, by the Company.

g. "Other employees" means, all the employees other than the Directors, KMPs and the Senior Management Personnel.

4. NR Policy

NR Policy is divided into three parts as follows:

I. Qualifications

Criteria for identifying persons who are qualified to be appointed as a Directors / KMP /Senior Management Personnel of the Company:

a. Directors

Section 164 of the Companies Act, 2013 states disqualifications for appointment of any person to become Director of any Company. Any person who in the opinion of the Board is not disqualified to become a Director, and in the opinion of the Board, possesses the ability, integrity and relevant expertise and experience, can be appointed as Director of the Company.

b. Independent Directors

For appointing any person as an Independent Director he/she should possess qualifications as mentioned in Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

c. Senior Management Personnel and KMP and Other Employees

The Company has an Organogram displaying positions of Senior Management including KMP and other positions with the minimum qualifications and experience requirements for each positions which commensurate with the size of its business and the nature and complexity of its operations. Any new recruit in the Company is to match the requirements prescribed in the Organogram of the Company.

II. Remuneration

a. Structure of Remuneration for the Managing Director, Key Managerial Personnel and Senior Management Personnel

The Managing Director, Key Managerial Personnel and Senior Management Personnel (other than Non-executive Directors) receive Basic Salary and other Perquisites. The Perquisites include other allowances. The Managing Director is also eligible for payment of Commission on net profits as permissible under Section 197 of the Companies Act, 2013 and approved by the Shareholders from time to time to be payable to the Managing Director of the Company. The total salary includes fixed and variable components.

The Company's policy is that the total fixed salary should be fair and reasonable after taking into account the following factors:

- The scope of duties, the role and nature of responsibilities
- The level of skill, knowledge and experience of individual
- Core performance requirements and expectations of individuals

- The Company's performance and strategy
- Legal and industrial Obligations

The table below depicts the standard components of remuneration package

Fixed Component		
Basic Salary	Allowances	Superannuation

b. Structure of Remuneration for Non-executive Director

Non-executive Directors are remunerated to recognize responsibilities, accountability and associated risks of Directors. The total remuneration of Non-executive Directors may include all, or any combination of following elements:

i. Fees for attending meeting of the Board of Directors as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and decided at the Meeting of the Board of Directors.
ii. Fees for attending meetings of Committees of the Board which remunerate Directors for additional work on Board Committee as permissible under Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and decided at the Meeting of the Board of Directors.
iii. Commission on net profits as permissible under Section 197 of the Companies Act, 2013 and decided by the Board from time to time to be payable to any of the Nonexecutive Director.
iv. Non-Executive Directors are entitled to be paid all traveling and other expenses they incur for attending to the Company's affairs, including attending and returning from General Meetings of the Company or Meetings of the Board of Directors or Committee of Directors.

Any increase in the maximum aggregate remuneration payable beyond permissible limit under the Companies Act, 2013 shall be subject to the approval of the Shareholders' at the Annual General Meeting by special resolution and/or of the Central Government, as may be applicable.

c. Structure of Remuneration for Other Employees

The power to decide structure of remuneration for other employees has been delegated to HR Department of the Company.

III. Evaluation

a. Criteria for evaluating Non-executive Board members:

Section 149 of the Companies Act, 2013 read with Schedule IV of the said Act states that the Independent Directors shall at its separate meeting review performance of non- independent directors and the Board as a whole and the performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Director being evaluated.

b. Criteria for evaluating performance of Key Managerial Personnel and Senior Management Personnel

Criteria for evaluating performance of KMP and Senior Management Personnel shall be as per the HR Guideline on Performance Management System and Development Plan of the Company.

c. Criteria for evaluating performance of Other Employees

The power to decide criteria for evaluating performance of Other Employees has been delegated to HR Department of the Company.

5. Communication of this Policy

For all Directors, a copy of this Policy shall be handed over within one month from the date of approval by the Board. This Policy shall also be posted on the web-site of the Company and in the Annual Report of the Company.

6. Amendment

Any change in the Policy shall, on recommendation of NR Committee, be approved by the Board of Directors of the Company or any of its Committee duly authorized shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board or its Committee in this respect shall be final and binding.