



## NOMINATION AND REMUNERATION POLICY

*Adopted and approved by the Board at its meeting*

*held on 21<sup>st</sup> March 2024*

### 1. Introduction and Regulatory Framework

This policy has been formulated in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to the appointment and remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees and Board diversity.

Section 178 (3) of the Act and Part D of Schedule II of SEBI LODR requires the Nomination and Remuneration Committee to formulate the criteria for determining qualifications, positive attributes and independence of a director, recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees, criteria for evaluation of performance, board diversity etc.

The Nomination and Remuneration Committee (“Committee”) shall meet at least once in a year and among other functions, shall also review the Policy periodically and may amend the same from time to time, as deemed necessary.

### 2. Objectives

The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees. The Key Objectives of the committee would be:

- i. appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel;
- ii. Formulation of the criteria for determining qualifications, positive attributes and independence for appointment of a Director and assessment of independence of Independent Director (ID);
- iii. Formulation of criteria for performance evaluation of all Directors;
- iv. core skills /expertise / competencies required of the Board of Directors of the Company;
- v. Devising a policy on Board Diversity.
- vi. To ensure that 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
- vii. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.



### 3. Definitions

- i. **“Applicable Laws”** means the Companies Act, 2013 and Rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time.
- ii. **“Board”** means Board of Directors of the Company.
- iii. **“Company”** means TruAlt Bioenergy Limited.
- iv. **“Directors”** means Directors of the Company.
- v. **“Independent Director” (ID)** shall have the same meaning as defined under Section 149(6) of the Act read with rules made thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- vi. **“Non-executive Directors” (NED)** means a member of a Company's Board of Directors who is not in whole-time employment of the Company.
- vii. **Key Managerial Personnel” (KMP)** mean:
  - the Chief Executive Officer (CEO) or the Managing Director (MD) or Manager;
  - the Whole-time Director (WTD);
  - the Chief Financial Officer (CFO);
  - the Company Secretary (CS);
  - Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board,;
  - Such other officer as may be prescribed.
- viii. **Senior Management Personnel (SMP)** for the purpose of this Policy means officers and personnel who are members of the core management team excluding Board of Directors and shall also comprise all members of Management one level below the Chief Executive Officer or Managing Director or Whole-time Director or Managers (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

### 4. Constitution of Committee

- 4.1 The Board of Directors of the Company (the Board) constituted the committee known as “Nomination and Remuneration Committee” consisting of three or more non-executive directors out of which at least two-thirds are independent directors.
- 4.2 At present, the Nomination and Remuneration Committee comprises of following Directors:
  - i. Mr. Mallikarjun Bhimappa Dyaberi, Chairperson
  - ii. Mr. Chandrasekhar Kanekal, Member

iii. Mrs. Sushmitha Nirani, Member

- 4.3 The Chairman of the Committee shall be an Independent Director.
- 4.4 The Chairperson of the Company (whether executive or nonexecutive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.
- 4.5 In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- 4.6 The Chairperson of the Committee or in his absence, any other member of the committee authorised by him in this behalf shall attend the General Meetings of the Company to answer the shareholders' queries.
- 4.7 The Company Secretary shall act as the secretary for Committee meetings.
- 4.8 Minutes: Minutes of the meeting shall be recorded and maintained by the Company Secretary and shall be presented to the Committee for approval at its subsequent meeting.
- 4.9 Quorum: The quorum for the Committee meeting shall be one third of its total strength or two members, whichever is higher, including at least one Independent Director and the participation of the members by video conferencing or by other audio visual means shall also be counted for the purposes of quorum.
- 4.10 The Committee shall meet at least once in a year. Further, the meetings of the Committee shall be held as and when required and as statutorily required under the provisions of Companies Act, 2013 and Rules made thereunder and as per the applicable law, if any, for the time being.

## **5. Diversity in the Board of Directors**

Diversity refers to the variety of attributes of diverse nature between people and encompasses acceptance, respect and an understanding that everyone is unique. These aspects include age, gender, ethnicity, physical abilities, marital status, ideologies, background, knowledge and skills with a view to achieving a sustainable development, the Company shall aim to increase diversity at the Board level as an essential element in terms of:

- Experience of diverse nature;
- Gender in having the right representation of female members to also ensure statutory compliance as applicable;
- Qualifications, Knowledge and core skills/ expertise / competencies required of the Board of Directors in context of company's business/sector.

Diversity at the Board level shall be used as a tool for supporting the attainment of the strategic objectives of the Company and also to drive business results. Accordingly, while designing the composition of the Board, diversity shall be considered on all aspects and all appointments shall be based on the above parameters. The Company is committed to meritocracy and shall respect diversity within the Board members and shall have an inclusive culture where all view shall be heard and all opinions respected.

Further, for the appointment of Independent Directors, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a



description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may: a. use the services of an external agencies, if required; b. consider candidates from a wide range of backgrounds, having due regard to diversity; and c. consider the time commitments of the candidates.

## **6. Requirements Relating to Directors**

### **A. Appointment of Directors**

The Nomination and Remuneration Committee (“NRC” or the “Committee”) shall evaluate the balance of skills, knowledge and experience on the Board and for this purpose, NRC shall also consider factors such as qualification and experience, positive attributes, disqualification, etc. Basis such evaluation, NRC may also prepare a description of the role and capabilities required for an ID. For the purpose of identifying suitable candidates for Independent Directorship, the NRC may:

- use the services of an external agencies, if required;
- consider candidates from a wide range of backgrounds, having due regard to diversity; and
- Consider the time commitments of the candidates.

The Company shall upon recommendations of NRC, appoint those persons as Director who possess requisite qualifications and experience and positive attributes within overall framework of diversity as described in this Policy.

The Company shall not appoint or continue the employment of any person as Whole-time Director or Managing Director who 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.

### **B. Term and Tenure of Appointment**

#### **Managing Director / whole – time director / Executive director / Non-executive director**

- i. The Board shall appoint or re-appoint any person as a managing director, whole-time director or manager for a term not exceeding five years (5 years) at a time subject to approval by the members at the next annual general meeting.
- ii. Not less than two-thirds of the total number of directors (excluding independent directors) shall be liable to retirement by rotation at every annual general meeting as per the provisions of the Act and SEBI LODR as applicable.
- iii. The directors retiring by rotation at every annual general meeting shall be those who have been longest in the office since last appointment; At the annual general meeting at which a director retires by rotation, the Company may fill up the vacancy either by appointing the retiring director or some other person as may be deemed fit.



### **Independent Director**

- i. The term of appointment of an Independent Director shall be approved by the Board of Directors and shall be maximum up to five years (5 years) but he or she shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment shall be made in the Board's Report.
- ii. No independent director shall hold office for more than two consecutive terms but shall become eligible for appointment after expiration of three years (3 years) cool- off period, provided that he or she shall not be appointed or associated with the Company in any other capacity, either directly or indirectly during such period.

### **KMP and senior management**

The term of appointment and subsequent retirement of KMPs shall be as per the provisions of the Act, SEBI LODR, other rules or regulations including any amendments made from time to time . Appointments of SMPs shall be regulated by the prevailing HR policy of the Company.

### **C. Qualifications and Experience**

- i. Any person to be appointed as a Director on the Board of Directors of the Company, including Independent Director shall, in addition to a formal professional qualification should possess appropriate skills, experience and knowledge in one or more fields viz. CEO / Senior Management Experience, General Management and Business Operations, Business Development, Strategy / M&A / Restructuring, Accounting / Finance / Legal, Risk Management, Public Policy, sciences, actuarial sciences, banking, finance, economics, law, management, sales, human resource, marketing, administration, research, corporate governance or technical operations etc, or such other skills as may be identified by the Board of Directors, on recommendation from NRC, from time to time.
- ii. Any person to be appointed as a Director on the Board of the Company shall be such person who shall be able to provide policy directions to the Company including directions on good corporate governance.

### **D. Positive attributes**

The person to be appointed as a Director of the Company shall, in addition to the formal qualifications and relevant experience described in this Policy, shall also possess the attributes such as integrity, leadership, business orientation, commitment and proven track record and such other attributes, which in the opinion of the NRC are in the interest of the Company.

### **E. Disqualification**

Any person to be appointed as Director shall not possess any disqualifications as prescribed under the Applicable Laws.



#### **F. Evaluation**

The NRC shall facilitate the Board to undertake evaluation of performance of all Directors on yearly basis including making recommendations to the Board on appropriate performance criteria for the Directors and formulating criteria and framework for evaluation of every Director's performance. The Board shall evaluate, every year, its performance along with that of the individual directors including Chairman, IDs, independence of IDs. The Company may appoint an external agency to conduct the exercise of evaluation and submit the report / outcome to the Company, in the manner desired by the Company. The evaluation benchmark is attached as an Annexure 1 to the Policy.

#### **G. Familiarisation Programme**

in accordance with Regulation 25(7) of the Listing Regulations, the Company shall familiarise the independent directors of the Company through various programmes about the Company, including:

- i. Nature of the industry in which the Company operates;
- ii. Business model of the Company;
- iii. Roles, rights, responsibilities of the independent directors; and
- iv. Any other relevant information.

### **7. Requirement relating to Key Management Personnel and Senior Management Personnel**

#### **A. Appointment of KMP**

Based on the recommendation of NRC, the appointment of the MD, CEO, WTD, CFO and the CS shall be approved by the Board of Directors by means of a resolution. KMP and SMP shall be employed by the Company only on a whole-time basis and they will not be permitted to take up employment anywhere else. The appointments and remuneration of SMP shall be approved by MD in accordance with HR Policy.

#### **B. Qualifications and experience**

Any person to be appointed as KMP or as SMP shall possess relevant educational, professional qualifications, experience and domain knowledge required for performing the job for which they are appointed. There shall be no discrimination on account of gender, race and religion in terms of appointment as KMP or SMP.

#### **C. Positive Attributes**

- i. KMP and the SMP shall also possess attributes like decision making skills, leadership skills, integrity and proven track record and shall demonstrate commitment to the organisation.
- ii. KMP and SMP shall meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision making.



#### **D. Performance Evaluation**

- i. MD / CEO shall carry out the performance evaluation of all the SMPs and KMPs excluding himself / herself and the WTD.
- ii. The evaluation process adopted by the Company shall always consider the appropriate benchmarks set as per industry standards, performance of the Company and of the individual KMP / SMP.
- iii. Evaluation of performance shall be carried out at least once in a year, in accordance with the existing evaluation process of the 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 and KMP subject to the provisions and compliance of the said Act, rules and regulations. SMP shall be removed in accordance with HR Policies of the Company.

#### **Retirement**

The Directors, KMP and Senior Management shall retire as per the applicable provisions of the relevant laws. The Board will have the discretion to retain the Directors and KMP in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company, subject to approvals as required under the relevant laws.

### **8. Remuneration**

#### **Guiding Principles**

- i. The terms of employment and remuneration of MD, WTD, KMPs, Directors and SMPs shall be in accordance with Industry Practices.
- ii. The Remuneration Policy shall ensure that:
  - a. The level and composition of remuneration is reasonable in accordance with Industry Practices.
  - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  - c. Remuneration package is linked to the achievement of corporate performance targets.
- iii. While determining the remuneration and incentives for the MD / WTD, KMP's and the following shall be considered:
  - a. Benchmarking with the industry practices.
  - b. Performance of the individual.
  - c. Company Performance



- iv. For the benchmarking with Industry practice, criteria of size, complexity, data transparency and geographical area shall also be given due consideration.

## 9. Remuneration Policy

### A. MD / WTD

- i. Remuneration to the MD and WTD at the time of his / her appointment shall be proposed by the NRC and subsequently approved by the Board of Directors and the shareholders of the Company whenever required and shall not exceed the limits mentioned under applicable laws.
- ii. Annual increments / subsequent variation in remuneration to the MD and WTD shall be approved by the NRC / Board of Directors, within the overall limits approved by the shareholders of the Company
- iii. Remuneration shall be evaluated annually as per Industry Practices.
- iv. Total remuneration for the MD and WTD shall be comprised of the following:
  - a) Salary
  - b) Perquisites;;

It shall be ensured that total remuneration payable to MD and WTD's shall not exceed the limits mentioned under the Applicable Laws.

- c) **Minimum remuneration to Whole-time Directors** : If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its whole-time Directors in accordance with the provisions of Schedule V of the Act.

### B. NEDs/IDs

- i. NEDs/IDs shall be entitled to such sitting fees/other remuneration as may be decided by the Board from time to time for attending the meeting of the Board and of the Committee thereof.
- ii. IDs shall not be eligible for any Stock Options, pursuant to any Stock Option Plan adopted by the Company.
- iii. NEDs shall be eligible for remuneration of such professional services rendered if in the opinion of the NRC, the NED possesses the requisite qualification for rendering such professional services in accordance with applicable laws.
- iv. NEDs may also be paid/reimbursed such reasonable sums incurred by them for travel, boarding and lodging and incidental and /or actual out of pocket expenses incurred by such member for attending Board/Committee Meetings/general meetings or for Company's work.

Remuneration shall be evaluated annually, and annual increase shall be decided considering the performance of the individual and also of the Company. Industry practices / trends shall also be given due consideration.

### Disclosures

The Company shall also disclose in its Corporate Governance Report a confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in SEBI LODR and are





independent of the management. This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in its Annual Report.

#### **Amendments to the Policy**

The Board of Directors may amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail notwithstanding the provisions hereunder from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc. Any subsequent amendment/modification in SEBI LODR, Act and/ or applicable laws in this regard shall automatically apply to this policy.

**This policy shall be reviewed by the Nomination and Remuneration Committee, periodically. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.**