

NOMINATION AND REMUNERATION COMMITTEE (NRC)

PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee . The Nomination and Remuneration Committee consisting of three or more non-executive Directors and out of which not less than one-half shall be independent Directors : provided that the Chairperson of the Company (whether executive or non executive) be appointed as Member of the Committee but shall not chair such Committee.

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Clause 49 of the Listing Agreement.

OBJECTIVE

The key objectives of the Committee would be:

- a) To identify persons who are qualified to become directors and guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

DEFINITIONS

"Board" means Board of Directors of the Company.

"Company" means "SWELECT ENERGY SYSTEMS LTD."

"Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013.

"Key Managerial Personnel" (KMP) means

- a) Chief Executive Officer or the Managing Director
- b) Company Secretary,
- c) Whole-time Director,
- d) Chief Financial Officer and
- e) Such other officer as may be prescribed.

"Nomination and Remuneration Committee" shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.

"Policy or This Policy" means, "Nomination and Remuneration Policy." "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

"Senior Management" means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive directors, including all the functional head.

INTERPRETATION Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, Listing Agreement and/or any other SEBI Regulation(s) as amended from time to time.

GUIDING PRINCIPLES

The Policy ensures that

- 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, Key Managerial Personnel 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.

ROLE OF THE COMMITTEE

The role of the Committee inter alia will be the following:

- a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) Formulate criteria for evaluation of Independent Directors.
- c) Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- d) To carry out evaluation of every Director's performance.
- e) To recommend to the Board the appointment and removal of Directors and Senior Management.
- f) To recommend to the Board policy relating to remuneration for Directors Key Managerial Personnel and Senior Management.
- g) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- h) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- i) To perform such other functions as may be necessary or appropriate for the performance of its duties.
- j) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- k) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.
- l) Devising a policy on Board Policy.

MEMBERSHIP

- a) The Committee shall comprise at least three (3) Directors, all of whom shall be non-executive Directors and at least half shall be independent.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- c) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Term of the Committee shall be continued unless terminated by the Board of Directors