



CHARTER FOR THE
NOMINATION AND REMUNERATION COMMITTEE
OF
SOLAR INDUSTRIES INDIA LIMITED

Adopted by Board on:- April 1, 2014

1st Amendment: - April 1, 2019

2nd Amendment: - November 2, 2023

INTRODUCTION

The Nomination and Remuneration Committee ("Committee") is constituted pursuant to and in accordance with the applicable provisions of Companies Act 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended from time to time.

The composition, quorum, powers, role, review of information, scope, etc., of the Nomination and Remuneration Committee is in accordance with provisions of Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of the Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A. OBJECTIVES

The Committee reports to and is accountable to, the Board of Directors ('Board') of Solar Industries India Limited ('the Company') and is central to the effective functioning of the Board. The objective of the Committee is to assist the Board in:

1. Identifying and evaluating potential candidate for balanced composition of the Board and the leadership team of the Company comprising Key Managerial Personnel ("KMP" as defined by the Companies Act, 2013) and Senior Management.
2. Oversight of the familiarisation programme of directors.
3. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
4. Determining the composition of the Board of Directors and the sub-committees of the board.
5. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
6. Specify Methodology for effective evaluation of performance of Board/committees/directors and to review implementation of evaluation system.
7. Carry out the evaluation of every Director's performance and formulate criteria for evaluation of Independent Directors, Board/Committees of Board and review the term of appointment of Independent Directors on the basis of the report of performance evaluation of Independent Directors; Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
8. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

9. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
10. To develop a succession plan for the Board and to regularly review the plan.
11. To assist the Board in fulfilling responsibilities.
12. To Implement and monitor policies and processes regarding principles of Corporate Governance.
13. Overall responsibility of approving and evaluating the compensation plans, policies and programs for all the Executive Directors and Senior Management Personnel.
14. Devising a policy on diversity of board of directors
15. Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
16. Undertake any other matters as the Board may decide from time to time.

B. ROLE OF THE COMMITTEE

The role of this committee is divided into three functions which, inter alia, include the following.

Nominating Function: -

1. Review and recommend the structure, size and composition of the Board and its Committees.
2. Formulate and recommend to the Board the criteria for determining qualifications, positive attributes and independence of a Director.
3. To evaluate the balance of skills, knowledge and experience on the Board and on the basis of such an 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.
4. To devise a policy on diversity of board of directors.

5. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down
6. Review and recommend to the Board appointment of Directors and Senior Management, including evaluation of incumbent directors for potential re-nomination. Further, to recommend to the Board their removal, as may be necessary.
7. To determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
8. Review succession planning for Senior Management.

Remuneration Functions

1. Recommend to the Board a policy relating to remuneration of the Directors, Key Managerial Personnel, Senior Management and other employees of the Company (refer "Remuneration Policy") and periodically review the same.
2. The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:
 - a. The level and composition of remuneration be 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;
3. Determine and recommend to the Board the remuneration payable to the Directors of the Company and the Senior Management and Key Managerial Personnel of the Company.
4. Review the annual compensation strategy and budget covering all employees of the Company including Senior Management.
5. Review deployment of key Human Resources strategies and tools specifically in the area of talent management, employee engagement & development and succession planning.

Governance and Evaluation Function

1. To formulate a criteria for evaluation of performance of independent directors and the board of directors.
2. To establish and oversee, the process of annual evaluation, including self-evaluation, of the Board, its Committees and Directors.

3. To annually review the performance of the executive director/s.
4. To annually review its own performance and present the results to the Board.

C. COMPOSITION OF THE COMMITTEE:

1. The Nomination and Remuneration Committee shall comprise of a minimum of three non-executive directors of whom not less than one-half shall be independent directors. All the directors of the shall be non-executive directors.
2. The Chairman of the Committee shall be an independent director.
3. Chairperson of the Company shall not Chair the Nomination and Remuneration Committee.
4. The Company Secretary shall act as the secretary to the Committee.

D. COMPENSATION:

1. Compensation of Whole-Time Directors:

Assisting the Board in;

- a. Discharging the Board's responsibilities relating to compensation payable to the Whole- time Directors including payment of ;
 - i. annual base salary
 - ii. annual bonus, including any specific goals and amounts linked to performance.
 - iii. equity compensation and
 - iv. employment agreement, severance agreements and change in control agreements and
 - v. any other benefits, compensation or arrangements.
- b. The Committee shall review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval.

2. Compensation of Senior Management Personnel

- a. The term "Senior Management Personnel" means to include all senior officers just below the board level other than Whole-time Directors.
- b. The Committee shall evaluate the performance of all senior officers just below the board level and shall approve annual compensation for such senior officers, in consultation with the Chairman of the Company. The Committee shall also provide oversight of management's decisions regarding performance and compensation of other employees.

- c. Discharging the Board's responsibilities relating to compensation payable to the Senior Management Personnel including payment of
 - (i) annual base salary
 - (ii) annual bonus, including any specific goals and amounts linked to performance.
 - (iii) equity compensation and
 - (iv) employment agreements, severance agreements and change in control agreements, and (v) any other benefits, compensation or arrangements.
3. Relating to Compensation & Benefits Plan
 - a. Reviewing and making recommendations to the Board of Directors regarding any other plans including Deferred Compensation Plan that are proposed for adoption or adopted by the Company for the provision of Compensation & Benefits to Whole-time Directors and Senior Management Personnel of the Company.
 - b. Reviewing and overseeing Company's employee benefit programs including deferred benefits plans and retirement plans.
4. The Committee shall perform any other activities in line with this Charter, Company's bylaws, Corporate Governance guidelines as the Board feels appropriate and delegates to the Compensation Committee including activities and as may be required to be undertaken in terms of any statutory or regulatory requirements.
5. The Committee shall perform an annual evaluation on its performance, using the established procedures by Board Governance and Nomination Committee.
6. Disclosure in Annual report: The Committee shall review and approve annual disclosure with respect to compensation paid to its Chairman, Executive Directors and Senior Management personnel.

E. MEETINGS & QUORUM:

1. The Committee shall meet at least once a year. Additional meetings may happen as the Committee deems it appropriate and advisable.
2. The quorum shall be two members or one third of the Committee strength; whichever is higher and at least one Independent Director shall be present to form a valid quorum.
3. The Chairperson of the Nomination & Remuneration Committee must be present at the annual general meeting of the Company, to answer the shareholders' queries. However, it would be up to the Chairman to decide as to who shall answer the queries.

F. CIRCULAR RESOLUTION

The decisions to be taken by the Committee members may be taken by way of a circular resolution wherever it is not possible to have a meeting of the Committee members.

G. REPORT

The Committee shall report to the Board at its next Board meeting, which will be incorporated as a part of the minutes of the Board of Directors meeting.

H. MINUTES:

The Company Secretary will maintain minutes of its meetings, which will be submitted to the Board for noting.

(The Charter has been amended in accordance with Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.)
