

# **NOMINATION AND REMUNERATION POLICY**

**[Pursuant to Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]**



**Laser Power & Infra Limited**

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## TABLE OF CONTENT

1.	Introduction .....	2
2.	Objective.....	2
3.	Effective Date .....	3
4.	Definitions .....	3
5.	Nomination and Remuneration Committee Composition and Powers .....	4
6.	Policy for Appointment of Directors, KMP, and Senior Management .....	6
7.	Policy for Remuneration of Directors, KMP, and Other Employees .....	10
8.	Criteria for evaluation of performance of Independent Directors and the Board....	11
9.	Diversity of the Board .....	12
10.	Removal and Retirement.....	12
11.	Amendment to this Policy .....	12
12.	Disclosure of the Policy .....	12



## 1. Introduction

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 (herein after called as 'the Act') read along with the applicable rules thereto, as amended from time to time and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("**SEBI Listing Regulations**"). This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

## 2. Objective

The key objectives of this Policy are:

- i. To formulate the criteria for determining qualifications, positive attributes, and independence of a Director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel KMPs and SMPs and also independence of Independent Directors and other employees;
- ii. For every appointment of an independent director, the Nomination and Remuneration 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.
- iii. Aligning the remuneration of Directors, KMPs, and SMPs with the Company's financial position, remuneration paid by its industry peers etc;
- iv. Formulation of criteria for evaluation of the performance of the Board and Independent Directors;
- v. Ensuring Board diversity;

- vi. To identify persons who are qualified to become Directors (Executive and Non-Executive, including Independent Directors), Key Managerial Personnel (“KMP”), and Senior Management, and who may be appointed in senior management in accordance with the criteria laid down and recommend their appointment and removal to the Board of Directors; and
- vii. Directors’ induction and continued training;
- viii. To recommend to the Board a policy relating to the remuneration for Directors, KMP, and Senior Management, ensuring that:
  - The level and composition of remuneration is reasonable and sufficient to attract, retain, and motivate Directors, KMP, and Senior Management of the quality required to run the Company successfully.
  - The relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  - Remuneration to Directors, KMP, and Senior Management involves a balance between fixed and incentive pay, reflecting short-term and long-term performance objectives appropriate to the working of the Company and its goals.
  - To address any other matter as may be required by the Companies Act, 2013, SEBI LODR Regulations, or any other applicable law.

### 3. Effective Date

This Policy is effective from **17<sup>th</sup> September, 2025**

### 4. Definitions

“**Act**” means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

“**Board**” means Board of Directors of Laser Power & Infra Limited.

“**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 and SEBI (LODR) Regulations.

“**Company**” means Laser Power & Infra Limited.

“**Directors**” means Members of the Board.

“**Other employees**” means all the employees other than the Directors, KMPs, the Senior Management Personnel, Officers or Executives.



**“Independent Director” (ID)** means a Director referred to in Section 149 (6) of the Companies Act, 2013 and Rules made thereunder and Regulation 16(1)(b) of the Listing Regulations.

**“Key Managerial Personnel” (KMP) means: -**

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

**“NRC”** means the Nomination and Remuneration Committee constituted by the Board from time to time.

**“Senior Management Personnel” (SMP)** shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one 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 Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Office.

## **5. Nomination and Remuneration Committee (NRC) – Composition and Powers**

### **Composition of the Committee**

The board of directors shall constitute the nomination and remuneration committee as follows:

- The Committee shall comprise at least three directors;
- All directors of the Committee shall be Non-Executive Directors;
- At least two-thirds (2/3rd) of the directors of the Committee shall be Independent Directors;
- The Chairperson of the Committee shall be an Independent Director. Provided that the chairperson of the listed entity, whether executive or non-executive, may be appointed as a member of the Nomination and Remuneration Committee and shall not chair such Committee.

### **Quorum for Meetings**

The quorum for a meeting of the Committee shall be either two members or (1/3<sup>rd</sup>) one-third of the members of the Committee, whichever is greater, including at least one Independent Director in attendance. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.

### **Meetings:**

The Committee shall meet at least once in a financial year. Additional meetings may be convened as and when required.

### **Role and Responsibilities of the Committee**

The role of the Committee shall, inter alia, include the following:

- a) **Formulation of criteria for appointment:** Formulate the criteria for determining qualifications, positive attributes, and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.

For every appointment of an independent director, the Nomination and Remuneration 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:

- i. use the services of an external agencies, if required;
  - ii. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - iii. consider the time commitments of the candidates.
- b) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- c) devising a policy on diversity of board of directors;
- d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal;

- e) 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;
- f) recommend to the board, all remuneration, in whatever form, payable to senior management; and
- g) Perform such other functions as may be delegated by the Board from time to time or as may be required by applicable law.

## **6. Policy for Appointment of Directors, KMP, and Senior Management**

### **A. CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF DIRECTORS**

#### **i. Qualifications for appointment of Directors (including Independent Directors):**

- Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service;
- Their financial or business literacy/skills;
- Other appropriate qualification/experience to meet the objectives of the Company;
- As per the applicable provisions of Regulation 16 and 17 of the Listing Regulation, Companies Act, 2013 and the Rules made there under.

#### **ii. Positive attributes of Directors (including Independent Directors):**

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively and the willingness to address issues proactively;
- Actively update their knowledge and skills with the latest developments in the industry, market conditions and applicable legal provisions;
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities;
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company;
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees;

Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under as amended from time to time and shall abide by the “Code for Independent Directors” as specified in Schedule IV to the Companies Act, 2013.

**iii. Criteria for determining Independence:**

The Independent Director shall qualify the criteria of Independence mentioned in Section 149(6) of the Companies Act, 2013 and rules related thereto and in Regulations 16(b) and 25 of SEBI Listing Regulations.

**iv. Appointment of KMP/Senior Management:**

- To possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities;
- To practice and encourage professionalism and transparent working environment;
- To adhere strictly to code of conduct.

**B. TENURE OF APPOINTMENT:**

- i. **Managing Director/Whole-time Director/Executive Director:** The Company shall appoint or re-appoint any person as its Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.
- ii. **Independent Director:** As per Sections 149(10) and 149(11) of the Companies Act, 2013, an Independent Director shall hold office for a term up to five consecutive years on the Board and shall be eligible for re-appointment for another term of up to five consecutive years on passing of a Special Resolution by the Company and disclosure of such appointment will required in the Board's Report further such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director in the Company.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of independent director, it should be ensured that number of boards on which such independent director serves is restricted to seven listed companies as an independent director and three listed companies as an independent director in case such person is serving as a whole-time director of a listed company.



**Manner of Appointment:**

1. Appointment process of independent Directors shall be independent of the company management; while selecting independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively;
2. The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
3. The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
4. The appointment of independent Directors shall be formalised through a letter of appointment, which shall set out :
  - a. the term of appointment;
  - b. the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - c. the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - d. provision for Directors and Officers (*D and O*) insurance, if any;
  - e. the Code of Business Ethics that the company expects its Directors and employees to follow;
  - f. the list of actions that a director should not do while functioning as such in the company; and
  - g. the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
5. The terms and conditions of appointment of independent Directors shall be open for inspection at the registered office of the company by any member during normal business hours.
6. The terms and conditions of appointment of independent Directors shall also be posted on the company's website.

**C. REMOVAL/RESIGNATION:**

The Committee shall consider and recommend to the Board the removal of a Director, KMP or Senior Management based on performance evaluation, non-compliance with statutory provisions, violation of policies, or any other justifiable reason as per applicable laws. The Committee shall also review any resignations tendered.

**Disqualification for Appointment of Directors**

Pursuant to section 164 of the Companies Act, 2013, a person shall not be eligible for appointment as a director of a Company if:

- a. He is of unsound mind and stands so declared by a competent court;
- b. He is an undischarged insolvent;
- c. He has applied to be adjudicated as an insolvent and his application is pending;
- d. He has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any Company;

- e. An order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;
- f. He has not paid any calls in respect of any shares of the Company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
- g. He has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
- h. He has not complied with Section 152(3) i.e. he has not been allotted the Director Identification Number under Section 154 of the Act.
- i. He has not complied with Section 165 (1) i.e. he shall not be a Director in more than 20 Companies out of which 10 Companies can be public Companies.
- j. No person who is or has been a Director of a Company which:

- Has not filed financial statements or annual returns for any continuous period of three financial years; or
- Has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be reappointed as a director of that Company or appointed in other Company for a period of five years from the date on which the said Company fails to do so.

Provided that where a person is appointed as a Director of a Company which is in default of above-mentioned clauses, he shall not incur the disqualification for a period of 6 months from the date of his appointment.

#### **D. SUCCESSION PLANS:**

The Nomination and Remuneration Committee (NRC) is responsible for establishing and regularly reviewing succession plans for the Board of Directors, Key Managerial Personnel (KMP), and Senior Management. This critical function ensures the continuous availability of qualified individuals to fill key leadership positions, thereby maintaining an appropriate balance of skills, experience, and expertise within the Board and Senior Management.

#### **7. Policy for Remuneration of Directors, KMP, Independent Director, and Other Employees**

The Company follows the policy to fix remuneration of its Directors, KMPs and other employees by taking into account the trend in the industry, qualification, experience, past performance and past remuneration of the respective Directors, KMPs and other employees, in the manner to strike a balance between the interest of the Company and its Stakeholders.

The guiding principle for fixing remuneration payable to the Directors, KMPs and other Employees are as follows:

- a. The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, Key Management Personnel and other employees.
- b. The remuneration structure shall be designed to attract, retain, and motivate highly skilled and experienced individuals.
- c. The remuneration payable shall be determined by the Committee and recommended to the Board for approval, subject to approval by the shareholders by passing necessary Resolution, wherever required under the Act or SEBI LODR Regulations.

- d. Remuneration shall be reflective of the individual's performance, the Company's performance, industry benchmarks, and the overall economic environment. d. The remuneration shall ensure a balance between fixed and incentive pay, reflecting short-term and long-term performance objectives.
- e. The remuneration of other employees and the break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses etc shall be determined by the functional Head of the respective Department.
- f. The remuneration details shall be presented before the NRC which would have requisite details setting out the proposed increments for the next financial year. The NRC shall peruse and forward the same to the board of directors of the company.

The non-executive independent directors of the company shall be paid sitting fees and such other variable pay, if any, as per the Regulations. The quantum of sitting fees and variable pay, if any, will be determined as per the recommendation of the NRC and approved by the board of directors of the company. The travelling, boarding and lodging expenses connected with the business of the company shall be reimbursed.

#### **8. Criteria for Evaluation of Performance of Independent Directors and the Board**

Pursuant to the provisions of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board is required to carry out annual evaluation of board, its committees and individual directors:

- i. Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company or engage with a third-party facilitator in doing so.
- ii. Identify ongoing training and education programs for the Board to ensure that non-executive Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

The provisions relating to the performance evaluation of the Directors and the Board are as follows:

- a. Nomination and Remuneration Committee to carry out evaluation of every Directors Performance - Section 178(2) of the Act.
- b. Independent Directors to bring objective view in evaluation of performance of Board and Management - Schedule IV(II) of the Act.
- c. Performance evaluation of Independent Directors shall be done by entire Board of Directors excluding the Director being evaluated - Schedule IV of the Act and Regulation 17(10) of Listing Regulations.

- d. Disclosure in Board Report a statement indicating the manner in which formal annual evaluation of the performance has been made of Board, its Committees and of individual Directors - Section 134(3)(p) of the Act.

#### **9. Diversity of the Board**

The Committee shall devise a policy on Board diversity, considering various aspects such as gender, skills, experience, knowledge, age, and cultural background, to ensure a well-rounded and effective Board. *(Refer to the Company's separate Board Diversity Policy).*

#### **10. Removal and Retirement**

The committee may recommend, to the board with reasons recorded in writing, removal of a director, KMP or senior management personnel subject to the provisions of the Regulations.

The Director, KMP and senior management personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the company. The board will have the discretion to retain the director, KMP, senior management personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the company.

#### **11. Amendment to this policy**

The Board of Directors may as per the recommendations of Nomination and Remuneration Committee amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant Statutory authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

#### **12. Disclosure of the Policy**

The Policy will be uploaded on the website of the Company.