

Nomination and Remuneration Policy

**Haryana Power Generation
Corporation Limited**



HPGCL

AN ISO:9001,ISO:14001 & OHSAS:18001
CERTIFIED COMPANY

NOMINATION AND REMUNERATION POLICY

1. INTRODUCTION

Haryana Power Generation Corporation Limited (HPGCL) is a company registered under the Indian Companies Act, 1956/2013. HPGCL was incorporated as a company on 17th March 1997 with registered office at Urja Bhawan, Sector-6, Panchkula-134109 and CIN No. U45207HR1997SGC033517. The Company is engaged in the business of generation of power in the state of Haryana through thermal generating stations located Panipat, Yamuna Nagar and Hisar; and hydroelectric stations located at Western Yamuna Canal (WYC) Bhudkalan, Yamuna Nagar and Solar generating unit at Panipat.

Haryana Power Generation Corporation Limited has always considered its human resource as its prime driving force. HPGCL has adopted a policy which covers a whole gamut of human resource functions such as the Recruitment and Promotion, Training and Development. These policies have been adopted by the Board of Directors of the Company and amended from time to time by the competent authority.

The Board of Directors of HPGCL in its meeting held on 25.03.2021 has constituted a Nomination and Remuneration Committee consisting of three or more non-executive Directors out of which not less than one-half are Independent Directors and the Chairman of the said Committee is an independent director in compliance with the provisions of Section 178 of the Companies Act, 2013 read along with rules framed there under, as amended from time to time.

2. OBJECTIVES

To ensure an effective process for identifying persons through a promotion policy, who are qualified to become senior managements and all other HPGCL's employees may be appointed/promoted in accordance with the criteria laid down and to recommend to the Board, appointment/promotion of Senior Management and all other HPGCL's employees based on the criteria fixed, in this regard.

3. DEFINITIONS

- 3.1 “Act” means the Companies Act, 2013 and rules framed thereunder, as amended from time to time.

- 3.2 “**Board**” means the Board of Directors of the Company.
- 3.3 “**Committee**” means the Nomination and Remuneration Committee.
- 3.4 “**Company**” means Haryana Power Generation Corporation Limited.
- 3.5 “**Directors**” means members of the Board.
- 3.6 “**Key Managerial Personnel**” or “**KMP**” means;
- a. The Chief Executive Officer or the Managing Director or the Manager;
 - b. The Whole-time Director;
 - c. The Chief Financial Officer;
 - d. The Company Secretary;
- 3.7 “**Officers**” or “**Executive**” means the permanent employees of the Company.
- 3.8 “**Officials or Non-Executive**” means the regular employees of the Company.
- 3.9 “**Other employees**” means all the employees other than the Directors, KMPs, the Senior Management Personnel, Officers or Technical and Ministerial cadre.
- 3.10 “**Senior Management**” means personnel of the Company who are members of its core management team excluding the Board comprising all members of management at one level below the whole-time directors.
- 3.11 “**Independent Directors**” means a director referred to in Section 149 (6) of the Act.

4. 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 not less than one-half are independent directors.
- 4.2 The Company Secretary of the Company shall act as Secretary to the Committee;
- 4.3 The Chairperson of the Committee shall be an Independent Director;
- 4.4 Chairman of the Company may be appointed as a member of the Committee but shall not chair such Committee;
- 4.5 In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson other than chairperson of the Company;
- 4.6 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.

- 4.7 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.
- 4.8 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

5. ROLES AND RESPONSIBILITIES OF THE COMMITTEE

- 5.1 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or at Senior Management level and recommend to the Board his/her appointment.
- 5.2 The Director/ Independent Director/ Senior Management Personnel shall be appointed as per the provisions of the Companies Act, 2013, rules made thereunder and provisions of Articles of Association of HPGCL or any other enactment for the time being in force.
- 5.3 A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment/promotion. Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.
- 5.4 Committee can consider upgradation/rise in rank of Officers/Officials of HPGCL in all categories, on the basis of qualifications/up-gradation in qualifications, Annual Confidential Report, performance, work experience, competencies as well as roles and responsibilities and positive attributes and to motivate, retain and promote talent to ensure long term sustainability of talented managerial persons and create competitive environment. Committee would recommend upgradation/rise in rank of Officers/Officials of HPGCL in all categories, to the Board for approval.
- 5.5 Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business and achieve its objectives.
- 5.6 Formulation and modification of schemes for providing perks and allowances/pay scales for all employees of Company as per the guidelines/directions/instructions etc. of the Government of Haryana.

5.7 Committee can seek any information including documents it requires about any employee. The concerned officer/official is bound to give the information required by Committee.

5.8 Exercising such other roles assigned to it by the Board from time to time;

6. APPOINTMENT OF INDEPENDENT DIRECTORS

6.1 As per the Articles of Association of HPGCL, the Chairman/Chairman-cum-Managing Director shall be appointed by the Hon'ble Governor of Haryana. All other members of the Board of Directors shall be appointed by the Hon'ble Governor of Haryana in Consultation with the Chairman of the Company. No such consultation will be necessary in case of appointment of Directors representing the Government.

6.2 An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business in terms of Article 34 of Articles of Association of HPGCL.

6.3 The Independent Director shall be appointed as per the provisions of the Companies Act, 2013, rules made thereunder and provisions of Articles of Association of HPGCL or any other enactment for the time being in force.

6.4 The person so appointed as Independent Director shall not be disqualified under the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force.

6.5 Every independent director shall at the first meeting of the Board in which he/she participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

6.6 The Independent Directors shall follow Schedule IV to the Companies Act, 2013 with regard to the guidelines of professional conduct, role and functions and duties.

7 SEPARATE MEETING OF INDEPENDENT DIRECTORS AND REMUNERATION

- 7.1 The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent Directors and members of the management, to review the performance of Board as a whole, taking into account the views of executive directors and non executive directors.
- 7.2 All the independent directors of the company shall strive to be present at such meeting.
- 7.3 The meeting shall assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- 7.4 The Independent Director may receive compensation by way of sitting fees for attending meetings of Board or committees thereof, as may be decided by the Board, subject to the provisions of the Act. Independent Director is entitled to TA/DA for attending meetings at the rate applicable to a Director of the Company and suitable remuneration for other work assigned to them by the Board of Directors from time to time.

8. APPOINTMENT AND REMOVAL OF SENIOR MANAGEMENT

- 8.1 As per the Articles of Association of HPGCL, the Chairman/Chairman-cum-Managing Director shall be appointed by the Hon'ble Governor of Haryana. All other members of the Board of Directors shall be appointed by the Hon'ble Governor of Haryana in Consultation with the Chairman of the Company. No such consultation will be necessary in case of appointment of Directors representing the Government. Hence, their removal shall be based on the Government of Haryana orders, in this regard.
- 8.2 The removal of KMPs (Other than Functional Directors) and the Senior Management would be as per the internal rules, regulations and provisions of the Company.

9. IMPLEMENTATION

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this Policy as considered appropriate. The Committee may delegate any of its powers to one or more of its members. This Policy shall be reviewed by Committee as and when any notification or amendment is notified by the statutory authorities affecting the policy formed hereinabove. Any changes or modifications in the Policy as recommended by the Committee would be submitted for approval of the Board. The Policy shall be effective from the date of approval by the Board, unless specified otherwise.

10. DISSEMINATION OF POLICY

This Policy shall also be posted on the website of the Company and it shall be disclosed in the Board's Report. (proviso to Section 178(4) of the Act).

11. REVIEW AND AMENDMENT

- 11.1 The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit and make amendment in this policy, where there is any statutory changes necessitating the amendment in the policy.
- 11.2 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 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.