

TRIVENI POWER TRANSMISSION LIMITED
NOMINATION AND REMUNERATION POLICY

Preamble

Triveni Power Transmission Limited (“**Company**”) has formulated this policy (“**Policy**”) in accordance with Section 178 of the Companies Act, 2013 (“**Companies Act**”), along with the applicable rules, and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), and it has been duly approved by the Board of Directors (“**Board**”).

The Policy provides a framework for the nomination, appointment, remuneration, evaluation, and succession planning of the Company’s Directors, Key Managerial Personnel (“**KMP**”), and Senior Management. It aims to ensure that such appointments are made on merit, in line with the Company’s strategic objectives, and that remuneration is fair, transparent, performance-linked, and compliant with applicable laws.

The terms “KMP” and “Senior Management” shall have the meanings assigned to them under the Companies Act and the Listing Regulations, respectively.

PART A: NOMINATION/ APPOINTMENT OF DIRECTORS, SENIOR MANAGEMENT AND KMP AND SUCCESSION PLANNING

The Nomination and Remuneration Committee (“**Committee**”) shall consider the following attributes while nominating a director, Senior Management Personnel or KMP for appointment:

- Integrity, Qualifications, relevant expertise, and adequate experience commensurate with the responsibilities of the position.
- Experience in establishing governance practices that prioritize stakeholder interests, promote transparency, and ensure accountability of the Board and management.
- Ability to provide effective leadership that supports the organization in addressing challenges and making well informed decisions.
- Skilled in assessing Board effectiveness and contributing to continuous improvement through evaluation processes and constructive dialogue.
- The Committee shall have the sole discretion to evaluate and determine whether the candidate’s qualifications, skills, and experience sufficiently satisfy the criteria established for the role. Generally, candidates are expected to demonstrate proficiency in one or more areas such as strategic management, financial oversight, regulatory compliance, business operations, marketing, legal compliances or research.
- The Company shall not recommend or appoint or continue the employment of any person as the Managing Director, Whole-time director or Manager within the meaning of the Act, who has attained the age of 70 (seventy) years. Provided that the appointment of such a person who has attained the age of 70 (seventy) years shall be made with the approval of the Shareholders by passing a special resolution, based on the explanatory statement

annexed to the notice for the Meeting of the Shareholders for such motion indicating the justification for appointment or extension of appointment beyond the age of 70 (seventy) years.

- Independent Directors should qualify the criteria of independence as provided under the Act and the Listing Regulations.
- While considering new appointments, the Committee shall also ensure that diversity requirements as per the Company's Board Diversity Policy, the Act and the Listing Regulations are met, including adequate representation of women directors and directors with diverse professional backgrounds.

Independent Director:

An Independent Director shall hold office for a term of up to five consecutive years on the Company's Board and shall be eligible for re-appointment only upon passing a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall serve more than two consecutive terms. However, an Independent Director may be eligible for re-appointment after a cooling-off period of three years from the date they ceased to be an Independent Director. During this three-year period, the individual shall not be appointed or associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment, it shall be ensured that the number of Boards on which an Independent Director serves are limited to seven listed companies. If the person is also serving as a Whole-time Director of a listed company, the limit shall be three listed companies.

Independent Directors shall also comply with the online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs (IICA), where applicable, in accordance with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Removal

The Committee may recommend the removal of a Director, KMP, or Senior Management Personnel to the Board, if any grounds for disqualification arise as per the Companies Act, its rules, or any other applicable laws and regulations. Such grounds may also include, but are not limited to, fraud, misappropriation, cheating, siphoning of funds, breach of duty or trust, mismanagement, financial irregularities, or any other misconduct. Recommendations for removal will be accompanied by written reasons and will be subject to compliance with the relevant laws and regulations.

Before recommending removal, the Committee shall ensure that principles of natural justice are adhered to, including providing the concerned individual an opportunity to be heard.

Retirement

Directors, KMP, and Senior Management Personnel shall retire according to the provisions of the Companies Act, and the Company's prevailing policies. However, the Board retains the discretion to extend the tenure or retain such personnel in their current position or otherwise, even after reaching the retirement age, if it is considered beneficial for the Company.

Succession Planning

The Nomination and Remuneration Committee is responsible for overseeing the planning and process of appointing Directors, KMP, and Senior Management.

Planning for Succession:

- The Committee will regularly assess upcoming retirements and any vacancies that may arise due to turnover or business expansion.
- The Chief Human Resources will support the Committee by identifying potential candidates for these roles.
- The Committee shall ensure that an emergency succession plan is in place for key leadership positions to mitigate business continuity risks.

PART B: REMUNERATION POLICY

The remuneration, compensation, commission, or other benefits payable to the Whole-time Director, KMP, and Senior Management Personnel shall be determined by the Nomination and Remuneration Committee and recommended to the Board for approval. Such payments shall be subject to approval of the shareholders or other statutory approvals, if any, wherever required, in accordance with applicable laws.

The remuneration framework shall ensure 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) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to Directors, KMP, 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.

Accordingly, the remuneration shall be structured to attract, retain, and motivate qualified individuals while aligning their interests with long-term shareholder value creation and prudent risk management.

The remuneration and commission payable to the Whole-time Director shall be in line with the limits, percentages, and conditions prescribed under the Articles of Association of the Company and the relevant provisions of the Companies Act, and the rules framed thereunder.

Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director or as laid down as per the provisions of the Act.

Remuneration For Whole-Time Director, KMP And Senior Management Personnel

1. Fixed Pay:

The Whole-time / Executive / Managing Director / KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee.

The structure of the pay scale and the extent of perquisites such as the employer's contributions to Provident Fund, Superannuation Fund, Pension Scheme, medical benefits, club memberships, leave travel allowance, and other applicable benefits shall be determined by the Board or any person authorized by the Board, based on the recommendation of the Committee. Such determination shall also be subject to approval by the Shareholders.

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

3. Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the shareholders.

4. Variable Pay / Performance Linked Incentives:

A portion of the remuneration may be variable, linked to individual and Company performance, as determined by key performance indicators approved by the Board.

Remuneration to Non- Executive / Independent Director:

1. Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act and the rules made thereunder.

2. Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committees, subject to the limits prescribed under the Companies Act or Listing Regulations from time to time.

3. Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act. However, a higher percentage may be paid if specifically approved by the shareholders through a special resolution.

4. Reimbursement of actual expenses incurred:

Non- Executive / Independent Director may also be paid/reimbursed such sums either as fixed allowance and /or actual as fair compensation for travel, boarding and lodging and incidental and /or actual out of pocket expenses incurred by such member for attending Board/Committee Meetings.

PART C: PERFORMANCE EVALUATION POLICY

To ensure effective oversight of the Company's top management, this policy establishes a structured procedure for the periodic evaluation of Directors' performance. It also outlines the criteria for assessing the qualifications, positive attributes, and independence of each Director.

The evaluation framework is designed to promote accountability, identify improvement areas, and align the Board's functioning with the Company's strategic goals and stakeholder expectations.

Furthermore, this policy aims to ensure that the committees constituted by the Board, to which specific responsibilities have been delegated, are functioning effectively and in line with their defined roles.

In line with this, the Nomination and Remuneration Committee shall conduct the performance evaluation of every Director and KMP as per the criteria laid down under this policy.

EVALUATION CRITERIA:

i. Individual Directors including the Chairperson:

The evaluation shall be based on qualitative and objective criteria, including but not limited to the following:

General Criteria (for all Directors):

- The Director is a person of integrity, possessing relevant expertise, experience, and other qualifications as may be prescribed by the Board or applicable laws.
- Demonstrates the ability to remain focused at the governance level during Board and Committee meetings.

- Makes high-quality, thoughtful, and innovative contributions during Board/Committee discussions.
- Actively contributes to the development of the Company's strategy and risk management framework.
- Promotes a culture of mutual trust, respect, and openness within the Board and Committees.
- Maintains effective working relationships with fellow Board members and Senior Management.
- Possesses a strong understanding of governance, regulatory, financial, fiduciary, and ethical responsibilities.
- Actively updates and refreshes knowledge and skills, staying abreast of developments in corporate governance, financial reporting, industry practices, and market conditions.
- Listens to and considers the views of other members before forming a judgment.
- Exercises independent judgment and freely expresses opinions during discussions.

Additional Criteria for Independent Directors:

- Demonstrates independence in judgment and action.
- Maintains an arm's-length relationship with the Company, its management, and other Directors.
- No actual or perceived conflict of interest exists in relation to the Company.

Additional Criteria for the Chairperson:

- Effectively manages relationships and communication with shareholders, Board members, management, and employees.
- Conducts Board meetings efficiently, ensuring all members participate actively and constructively.
- Provides strong leadership and direction to the Board.
- Actively promotes and enhances the Company's image and reputation.

ii. Board Evaluation (Key Criteria)

- Board members possess appropriate qualifications, skills, and financial literacy aligned with the Board's objectives.
- The Board demonstrates integrity, credibility, trustworthiness, and strong interpersonal skills.
- Board members actively participate in meetings and handle conflict constructively.
- Independent Directors meet all applicable independence requirements.
- The Board ensures compliance with corporate governance regulations and guidelines.
- Annual calendar of Board meetings is communicated in advance and reviewed regularly.
- Meeting agendas and background materials are clear, concise, and informative.
- The Board functions collaboratively and effectively as a team.
- The Board ensures transparency and accuracy in financial reporting and disclosures.
- The Board reviews and approves management's risk identification and response processes.
- The Board is consulted on significant accounting or auditing matters.

- Board members act diligently, ethically, and in the best interest of the Company and its stakeholders.
- The Board ensures fair treatment of all shareholders and stakeholder groups.
- Board members are informed of regulatory communications and oversee the Company's compliance response.

iii. Committee Evaluation (Key Criteria)

- The Board Committees are appropriately constituted.
- Each Committee has clearly defined roles and responsibilities in line with its terms of reference.
- The composition of each Committee complies with applicable legal and regulatory requirements.
- The level of authority and responsibility delegated by the Board to each Committee is appropriate.
- Committees provide sufficient and timely reporting to the Board.
- Each Committee regularly reviews its mandate and evaluates its own performance.
- Committees take effective and proactive steps to discharge their responsibilities.
- Committees provide constructive suggestions and recommendations to the Board.
- Committee meetings promote open dialogue and active participation from all members.
- Committees meet periodically and operate in accordance with the Company's governance standards.

The Committee shall annually present to the Board a summary of performance evaluation results, highlighting key strengths, gaps, and recommendations for improvement.

Manner of Evaluation:

Performance evaluations will be conducted annually. The Company Secretary will distribute evaluation forms, collect responses, and compile the results for the Committee's review. The evaluation results shall be placed before the Board and discussed to enhance overall effectiveness. The Board may engage an external professional firm, if required, to facilitate independent evaluation.

The Committee will initiate the process and review the average scores, discussing areas of high and low performance. The Chairperson of the Committee may hold individual discussions with Directors if needed.

In addition, Independent Directors shall hold a meeting at least once in a given year, without the presence of the Non-Independent Directors of the Company, to review the performance of the Non-Independent Directors.

Conflicts in Policy

This Policy is framed based on the provisions of the Listing Regulations and the Companies Act. In case of any subsequent changes in the applicable law which make the provisions in the Policy inconsistent with the applicable law, the provisions of the applicable law shall prevail over the

Policy and the provisions in the Policy shall be modified in due course to make it consistent with the law.

Review of the Policy

The Committee shall periodically review the Policy, which will include an assessment of the effectiveness of the Policy.

The Committee will discuss any revisions that may be required and recommend any such revisions to the Board for approval.

This Policy is issued upon approval by the Board, and it can be amended only with the authority of the Committee and the Board.