



**ZEAL AQUA LIMITED**  
**CIN: L05004GJ2009PLC056270**

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**NOMINATION AND REMUNERATION  
POLICY OF DIRECTORS, KEY MANAGERIAL  
PERSONNEL AND OTHER EMPLOYEES**

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## **1. BACKGROUND:**

KPI Green Energy Limited (hereafter referred to as the 'Company') upholds a corporate culture founded on principles of stewardship, empowerment, accountability, governance, and ethical conduct, placing transparency at the forefront to enhance value for all stakeholders.

## **2. BRIEF OVERVIEW UNDER THE COMPANIES ACT, 2013:**

Section 178 and Companies (Meetings of Board and its Powers) Rules 2014:

- a. Constitution of the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors.
- b. The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- c. The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- d. The Nomination and Remuneration Committee shall, while formulating the policy ensure that:
  - i. 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;
  - ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - iii. 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.



- e. Such policy shall be placed on the website of the company, if any, and the salient features of the policy and changes therein, if any, along with the web address of the policy, if any, shall be disclosed in the Board's report.

### **3. BRIEF OVERVIEW OF REGULATION 1G OF SEBI LODR:**

Nomination and Remuneration Committee –

- a. The company shall set up a Committee which shall comprise at least three directors, all of whom shall be non-executive directors and at least two third shall be independent. Chairman of the committee shall be an independent director.
- b. The Chairman of the 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.
- c. The role of the committee shall be in terms of Part D of the Schedule II of SEBI LODR.

### **4. TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE:**

- a. Formulation of 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;
- 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, basis of the report of performance evaluation of independent directors.
- f. To recommend to the board, all remuneration, in whatever form, payable to senior management.



**5. CRITERIA FOR DETERMINING THE QUALIFICATIONS FOR APPOINTMENT OF DIRECTORS (INCLUDING INDEPENDENT DIRECTORS):**

- a. Persons of eminence, standing, and knowledge with significant achievements in business, professions, or public service.
- b. Financial or business literacy/skills, including the ability to interpret financial statements and assess risks.
- c. Relevant industry experience that aligns with the company's operations.
- d. Appropriate qualifications or experience to meet the company's objectives.
- e. Compliance with applicable provisions of the Companies Act, 2013, rules made thereunder, and SEBI LODR regulations.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

**6. CRITERIA FOR DETERMINING THE POSITIVE ATTRIBUTES OF DIRECTORS (INCLUDING INDEPENDENT DIRECTORS):**

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



- g. Independent directors must meet the requirements of the Companies Act, 2013, the rules made thereunder, and SEBI LODR, as amended from time to time.

**7. CRITERIA FOR DETERMINING THE APPOINTMENT OF KMP/SENIOR MANAGEMENT:**

- a. To possess the required qualifications, experience, skills, and expertise to effectively discharge their duties and responsibilities.
- b. To practice and encourage professionalism and a transparent working environment, promoting ethical practices and integrity.
- c. To build strong teams and foster collaboration to achieve the company's goals, objectives, and corporate mission.
- d. To strictly adhere to the company's code of conduct, demonstrating high ethical standards and accountability.

**8. REMUNERATION OF MANAGERIAL PERSONNEL, KMP AND SENIOR MANAGEMENT:**

- a. The remuneration structure must be reasonable and sufficient to attract, retain, and motivate Directors, KMP, and employees with the required qualifications and skills to manage the company successfully.
- b. No director, KMP, or employee is involved in deciding their own remuneration.
- c. The remuneration package should be competitive, considering industry trends, business size, and market standards.
- d. The relationship between remuneration and performance must be clearly defined with measurable benchmarks that align with company goals.
- e. Improved performance should be rewarded with increases in remuneration and appropriate authority to encourage future value addition.
- f. Remuneration packages should balance fixed and incentive pay, wherever applicable, reflecting both short-term and long-term performance objectives.



- g. Following criteria are also to be considered:
- i. Responsibilities and duties of the position;
  - ii. Time and effort dedicated to the role;
  - iii. Value added by the individual to the company;
  - iv. Profitability and growth of the company and its business;
  - v. Analysis of each position and required skills to determine the appropriate remuneration benchmark;
  - vi. Standards for functions with a scarcity of qualified resources.
  - vii. Ensuring tax-efficient remuneration structures.
  - viii. Maintaining transparency in the remuneration structure to avoid inflated cost- to-company (CTC) figures, ensuring the effective take-home remuneration is not unduly low.
  - ix. Any other applicable criteria.
  - x. Consistent application of remuneration parameters across the organization.
- h. All remuneration payments must comply with applicable legal provisions.
- i. Any deviation from the policy must be justified and adequately disclosed, with clear reasons provided.

**G. POLICY REVIEW:**

The policy shall be reviewed by the Nomination and Remuneration Committee and the Board, from time to time as may be necessary.

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