

RAYZON SOLAR LIMITED

(CIN: U29309GJ2022PLC133026)

Policy On Appointment and Remuneration for Directors, Key Managerial Personnel and Senior Management Employee

1. Introduction

The policy on appointment and remuneration of Directors, Key Managerial Personnel and other employees ("the Policy") provides an underlying basis and guide for human resource management, thereby aligning plans for strategic growth of the Company. The policy has been prepared pursuant to the provision of Section 178(4) of the Companies Act, 2013 ("the Act"). Rayzon Solar Limited ('RSL or 'the Company') believes that human resource as one of the vital and most important assets of the Company. For the success of any organization human resource is the key factor. This policy formulated to keep the balance between remuneration and performance of directors and key managerial personnel and to encourage them based on their performance.

2. Objectives

The Key Objectives of the Policy would be:

- To guide the Board in relation to appointment, retention and removal of Directors, Key Managerial Personnel and Senior Management;
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board;
- To ensure the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; To recommend to the Board, the level and composition of remuneration payable to Directors, Key Management Personnel and Senior Management is reasonable and sufficient to attract, retain and motivate them;
- To ensure that the, remuneration payable 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;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage;
- To devise a policy on Board diversity;
- To develop a succession plan for the Board & Senior Management and to regularly review the plan.

3. Definitions

- **"Company"** means Rayzon Solar Limited.
- **"Directors"** means a directors appointed to the Board of the Company.
- **"Key Managerial Personnel"** means
 - The Chief Executive Officer (CEO) or Manager or Managing Director of Whole Time Director;
 - Company Secretary and
 - Chief Financial Officer (CFO)
- **"Senior Management"** means personnel of the Company who are members of its core management team excluding Board of Directors comprising of all members of management one level below the executive directors, if any.

4. Scope

The Board of the Company has constituted Nomination and Remuneration Committee as per requirement of provisions of the Companies Act, 2013. This policy prescribes guideline, criteria and principles for the Committee for recommending to the Board the appointment and remuneration of the directors, key managerial personnel and senior management of the Company.

5. Policy

a. Appointment of Directors/ Key Managerial Personnel or Senior Management Personnel.

The Nomination and Remuneration Committee, Inter alia, consider qualification, positive attributes, areas of expertise, experience, relevant knowledge about the industry of the Company and directorship or membership in various other companies as well as independency of the directors in case of appointment of independent director. The Committee recommend to the Board of the Company, for any appointment, afterwards final decision shall be taken by the Board of the Company.

b. Remuneration to Whole-time / Executive / Managing Director / Key Managerial Personnel and Senior Management:

Fixed pay: The Executive Directors, 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 breakup of the pay scale and quantum of perquisites including, employer's contribution to provident fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board and approved by the shareholders and Central Government, wherever required. The Committee shall recommend to the Board for approval of the remuneration payable to the Senior Management.

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 Act.

Long-term rewards: The long-term rewards are linked to contribution to the performance of the Company based on relative position of the personnel in the organisation. These rewards could be in the form / nature of stock options including long term incentive in the form of RSUs and are based on level of employees and their criticality.

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 Act or without the prior sanction of the Central Government, where required, 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 Central Government.

c. Remuneration to Non- Executive / Independent Director:

Remuneration / Commission: The remuneration / commission shall be fixed as per the limits mentioned in the Act, subject to approval from the shareholders as applicable. The approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.

Sitting Fees: The Non- Executive / Independent Director shall receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed such amount as may be prescribed by the Central Government from time to time.

Stock Options: An Independent Director shall not be entitled to any stock option including long term incentive in the form of RSUs of the Company.

In addition to the sitting fees and commission, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his/her role as a Director of the Company. This could include reasonable expenditure incurred by the Director for attending Board meetings, Committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the Company for Directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.

d. Loan and advances to directors, key managerial personnel and senior management. The Committee shall review and approve the loans and advances to directors, key managerial personnel and senior management in line with the requirements of provisions of Companies Act, 2013 and rules made thereunder.

6. Term / Tenure

● **Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding such term as may be specified under the Act. No re-appointment shall be made earlier than one year before the expiry of term, and which shall be done with the approval of the shareholders of the Company, based on the recommendation of the Nomination and Remuneration Committee and the Board.

● **Independent Director**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for 5 appointment*, re-appointment or removal* pursuant to a special resolution passed by the Company and disclosure of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

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.

- The committee shall ensure to include evaluation as a criterion towards the decision on 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.

7. Evaluation

The Committee shall carry out evaluation of performance of every Director at regular intervals and at least on an annual basis.

8. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Acts, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a director or Key Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

9. Retirement

The Director, Key Managerial Personnel 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 or Key Managerial Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

10. Modification and Amendments

The Nomination and Remuneration Committee periodically shall review this Policy and may recommend amendments to this Policy from time to time as it deems appropriate, which shall be in accordance with the provisions of the Act. In case of any modifications, amendments or inconsistencies with the Act, the provisions of the applicable prevailing laws and the rules made thereunder would prevail over the Policy.

(This policy is approved by the Board of Directors at their meeting held on 3rd June, 2025)
