

## **POLICY FOR APPOINTMENT OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **A. BACKGROUND**

As per Section 178 of the Companies Act, 2013 (“**the Act**”) and the Rules made thereunder, every listed public company is required to constitute a Nomination and Remuneration Committee (“**NRC**”) consisting of three or more non-executive directors out of which not less than one-half shall be independent directors.

Further, the NRC shall:

- i. Identify persons who are qualified to become Directors and who may be appointed in Key Managerial Personnel (KMP) role(s) and / or Senior Management Personnel (SMP) role(s) in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- ii. Formulate a criteria for determining qualifications, positive attributes and independence of a director;
- iii. 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;
- iv. recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees, criteria for evaluation of Independent Directors and the Board; and
- v. Devise a policy for Board diversity.

As the Company’s primary activity is to manage one or more Infrastructure Investment Trusts and with the perspective of higher corporate governance, this Policy has been adopted by the Board of Directors. This policy shall act as a guide or reference for the above-mentioned objectives.

### **B. QUALIFICATIONS FOR APPOINTMENT OF DIRECTORS, KMP AND SMP**

- i. The NRC shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, KMP and SMP and recommend to the Board his/ her appointment. The NRC has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- ii. A person to be appointed as Director or KMP or SMP should possess adequate qualification, expertise and experience for the position he / she is considered for.
- iii. A person, to be appointed as Director should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company’s growth and complementary skills in relation to the other Board members.

- iv. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years.
- v. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Further, while evaluating the suitability for director, the NRC shall take into account many factors, including the following:

- a) General understanding of the Company's business dynamics, business and social perspective,
- b) Educational and professional background;
- c) Skills, expertise and competences
- d) Standing in the profession
- e) Professional ethics, integrity and values;
- g) Every director should ensure to give sufficient time and attention to the Company's affairs and attend the Board meetings and other committee meetings, regularly in which he/she is a member.

The proposed appointee should also fulfill the following requirements:

- a) He/she shall possess a Director Identification Number or any other identification number prescribed by the Central Government which shall be treated as, the Director Identification Number for the purposes of the Act;
- b) He/she shall not be disqualified under the Companies Act, 2013 or pursuant to any order of other such authority;
- c) He/she shall give his/her written consent to act as Director;
- d) He /she shall endeavour to attend all Board meetings/ Committee Meetings/General Meetings;
- e) He/she shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- f) He/she shall abide by the provisions of Section 166 of the Companies Act, 2013 which lays down the duties of directors as under:

- i. Subject to the provisions of the Companies Act, 2013, a director of a company shall act in accordance with the Articles of Association of the Company.
- ii. A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole and in the best interests of the company, its employees, the shareholders and for the protection of environment.
- iii. A director shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- iv. A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- v. A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- vi. A director of a company shall not assign his office and any assignment so made shall be void.
- vii. The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

**C. POSITIVE ATTRIBUTES:**

- a) Professional Experience
- c) Leadership skills;
- e) Commitment to high standards of ethics, personal integrity and probity;

**D. REMUNERATION :**

The remuneration payable to the Directors, KMP and other employees, shall be in line with Remuneration Policy approved by the Board of Directors of the Company from time to time and applicable laws.

**E. PERFORMANCE EVALUATION:**

The NRC shall specify the manner for effective evaluation of performance of the 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 with the objective of having a group that best enables the success of the Company's business.

**F. CRITERIA OF INDEPENDENCE:**

The NRC shall assess the independence of director at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determination of independence when any new interests or relationships are disclosed by a director.

The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance.

**G. BOARD DIVERSITY:**

The Company recognises and embraces the importance of a diverse Board in its success. The Company believes that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity and race, which will ensure that the Company retains its competitive advantage.

The Company believes that a diverse Board will continue to the achievement of its strategic and commercial objectives, including to:

- drive business results;
- make corporate governance more effective;
- enhance quality and responsible decision making capability;
- ensure sustainable development;
- enhance the Company reputation.

The NRC is responsible for reviewing and assessing the composition and performance of the Board, as well as identifying appropriately qualified persons to occupy Board positions.

While all the appointments to the Board will continue to be made on merit, the NRC will consider the benefits of diversity (including but not limited to the attributes listed above) in identifying and recommending persons for Board membership, as well as evaluating the Board and individual members.

Accordingly, the Committee shall:

- assess the appropriate mix of diversity of skills, experience and expertise required on the Board and assess the extent to which the required skills are represented on the Board;
- make recommendations to the Board in relation to appointments and maintain an appropriate mix of diversity, skills, experience, and expertise on the Board;
- periodically review and report to the Board requirements, if any, in relation to diversity on the Board.

The Board shall have an optimum combination of executive, non-executive and independent directors in accordance with the Articles of Association of the Company and the applicable laws.

**H. REMOVAL OF DIRECTORS, KMP & SMP**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, NRC may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or SMP subject to the provisions and compliance of the said Act, rules and regulations.

**I. REVIEW OF THIS POLICY:**

The NRC will periodically review this Policy, as appropriate, to ensure the effectiveness of this Policy and make the suitable recommendation to the Board.