

Policy for appointment of Directors and criteria for determining the qualifications, positive attitude and independence of a Director.

1. Introduction

The Company recognised that an enlightened Board can effectively create a culture of leadership to provide long term vision, improve the quality of governance and invite the confidence of stakeholders. In order to ensure that Board Directors can discharge their duties and responsibilities effectively, the Company aims to have an optimum combination of experience and commitment. The Company also believes the importance of Independent Directors in achieving the effectiveness of the Board.

2. Scope and Exclusion

The policy contains the guiding principle for the Nomination and Remuneration Committee to identify the person who is qualified to become Director and to determine the independence of Directors in case of appointment of Independent Director in the Company.

3. Definition

In this Policy following terms has been used to convey the meaning set out below.

- a) Director – Means a Director appointed in the Board of the Company.
- b) Independent Director – means a director who meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Clause 49(II)(B) of Listing Agreement with Stock Exchanges.
- c) Nomination and Remuneration Committee- means a committee constituted in terms of provisions of Section 178 of the Companies Act, 2013 and Clause 49 of Listing Agreement with Stock Exchanges.

4. Qualification and Criteria

The Nomination and Remuneration Committee shall review on an annual basis the appropriate knowledge, experience and skills required of the Board as a whole and its individual members to discharge duties and responsibilities effectively. The idea to have a Board with diverse background and experience that are required for the domestic and international business of the Company.

The following criteria may be considered for evaluating the suitability of an individual in the Board.

- (i) Eligibility: The proposed appointee shall not be convicted of any offence in connection with promotion, formation or management of any company and have not found guilty of any fraud or misfeasance or of any breach of duty to any company under this Act or under any previous company law in the last five years. The proposed appointee to declare further that if appointed, his/her total Directorship in all the companies taken together shall not exceed the prescribed number of companies for which a person can be appointed as a Director.
- (ii) Number of Directorship and Committee Membership:- The proposed appointee shall not hold directorship more than 20 Companies of which not more than 10 shall be Public Limited Companies. However, the proposed appointee shall not serve as an Independent Director more than 7 Companies and not more than 3 listed Companies in case he/she is serving as a whole- time Director in any Listed Company. The Proposed appointee shall not be a member in more than 10 Committees or act as a Chairman of more than 5 committee across all companies where he holds directorships. For the purpose of counting the Limit of Committee, the Audit Committee and Stakeholder Relationship Committee shall be taken into consideration.
- (iii) Compete with business of Company :- The proposed appointee shall not engage into any activity which competes with the business of Company.
- (iv) Directorship in other companies : Experience of holding Directorship in other companies shall be given preference.
- (v) Familiarity of Business of the Company: General understanding of the Company's business dynamics, international business and social perspective.
- (vi) Integrity: - To act collectively with other Directors of Board though each director to discharge duty with responsibility.
- (vii) Career background: The proposed appointee shall have good track record and more specially to have adequate skill and expertise in the area of his/her proficiency which facilitate to discharge his/her duties and responsibilities effectively.

The proposed appointee shall fulfil the following requirements

- a) Shall possess a Director Identification Number and give his consent to act as a Director.
- b) Shall abide by the Code of Conduct formulated by the Company for Directors
- c) Shall comply with such other requirements as may be prescribed from time to time under the Companies Act, 2013, Listing Agreement with Stock Exchanges and other relevant laws.

5. Criteria of Independence

The Nomination and Remuneration Committee shall assess independence of a Director at the time of appointment and re-appointment and Board shall assess independence annually. However, the Board shall re-assess the independence when a new interest is disclosed by a Director.

The criteria of independence as specified in Companies Act, 2013 and Clause 49 of the Equity Listing Agreement is summarised below:-

An Independent Director in relation to a Company, means a Director other than a Managing Director or a Whole-Time Director or a Nominee Director-

- a. who, in the opinion of the Board is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the Company, its holding, subsidiary or associate Company;
(ii) who is not related to Promoters or Directors in the company, its holding, subsidiary or associate Company.
- c. who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company or their Promoters, Directors, during the two immediately preceding financial years or during the current financial year.
- d. None of whose relatives has or had no pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company or their promoters, directors amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed whichever is lower, during the two immediately preceding financial years or during the current financial year.
- e. who, neither himself or any of his relatives-

- (i) holds or has held the position of a Key Managerial Personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed.
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of-
 - (A) a firm of Auditor or Company Secretary in practice or Cost Auditor of the Company or its holding, subsidiary or associate Company.
 - (B) Any legal or consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting ten per cent or more of the gross turnover of such firm.
 - (iii) holds together with his relatives two per cent or more of the total voting power of the Company; or
 - (iv) is a Chief Executive or Director by whatever name called, of any non-profit organisation that receives twenty five per cent or more of its receipts from the company, any of its Promoter, Directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; or
 - (v) is a material supplier, service provider or customer or lessor or lessee of the Company.
- f. shall possess appropriate skills, experience and knowledge in one or more field of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
 - g. shall possess such other qualifications as may be prescribed from time to time under the Companies Act, 2013.
 - h. who is not less than 21 years of age.
 - i. The Independent Director shall abide by the "Code for Independence Directors" as specified in Schedule IV to the Companies Act, 2013.

6. Criteria for positive attitude

The Nomination and Remuneration Committee shall consider the following criteria for determining the positive attitude of a Director.

- (i) Acts objectively and constructively while discharging duties and responsibilities.

- (ii) Actively participate in developing strategies for addressing issues concerning weakness of the Company.
- (iii) Demonstrates quality of analysis and judgment related to progresses and opportunities and need for changes.
- (iv) Keep well informed about the Company and the external environment in which it operates.
- (v) To act collectively with other Directors of Board amidst congenial atmosphere in the Board.