

Genus Power Infrastructures Limited

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Policy for Selection of Directors and Determining Directors' Independence

1. Preface:

Genus Power Infrastructures Limited (hereinafter referred to as "Genus" or the "Company" in this document) recognises that an effective Board should have a balance of skill and experience that is appropriate for the size and requirement of the business. The Company recognises the importance of Independent Directors in achieving the effectiveness of the Board. The Company aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

2. Scope and Purpose:

This Policy sets out the guiding principles for the Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company. This Policy is in line with the provisions of the Companies Act, 2013 (the "Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

3. Definitions

For the purposes of this policy, the following definitions apply:

- (A) "**Director**" shall mean a director appointed to the Board of the Company.
- (B) "**Board**" shall mean the Board of Directors of the Company. "Board of Directors" or "Board", in relation to a company, means the collective body of the directors of the company which has the supreme executive authority to control the management and affairs of company.
- (C) "**Nomination and Remuneration Committee**" shall mean Committee of Directors of the Company constituted by the Company's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
- (D) "**Whole-time director**" includes a director in the whole-time employment of the Company.
- (E) "**Managing Director**" shall mean a director who, by virtue of the articles of a company or an agreement with the company or a resolution passed in its general meeting, or by its Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called. The power to do administrative acts of a routine nature when so authorised by the Board, such as the power to affix the common seal of the company to any document or to draw and endorse any cheque on the account of the company in any bank or to draw and endorse any negotiable instrument or to sign any certificate of share or to direct registration of transfer of any share, shall not be deemed to be included within the substantial powers of management.

(F) “**Independent Director**” shall mean a director referred to in sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

4. Qualifications and Criteria:

In evaluating the suitability of individual Board members, the Nomination and Remuneration Committee shall take into account many factors, including the following:

- Educational and professional background.
- Standing in the profession.
- Personal and professional ethics, integrity and values.
- Understanding of the Company’s business dynamics, global business and social perspective.
- Skill, experience and knowledge in any disciplines related to company’s business.
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities.

The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number (DIN) or any other identification number prescribed by the Central Government which shall be treated as Director Identification Number for the purposes of the Act;
- Shall not be disqualified under the Act or pursuant to any order of Securities and Exchange Board of India or any other such authority;
- Shall give his written consent to act as a Director;
- Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall abide by the Company’s Code of Conduct, as applicable;
- 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 which he participates as a director and thereafter at the first meeting of the Board in every financial year and whenever there is a change in the disclosures already made;
- The managing director, whole-time director or executive director shall also meet all criteria specified in section 197 and Schedule V of the Companies Act, 2013. Subject to the provisions of section 197 and Schedule V of the Companies Act, 2013, the terms and conditions of such appointment and remuneration payable, shall be approved by the Board of Directors at a meeting, subject to approval of the shareholders at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Part I of that Schedule.
- Shall not be a director in more than eight listed entities with effect from April 1, 2019 and in not more than seven listed entities with effect from April 1, 2020.
- Shall not serve as an independent director in more than seven listed entities.
- The whole-time director / managing director of the Company shall not serve as an independent director in more than three listed entities.
- Such other requirements as may be prescribed, from time to time, under the Act, Listing Regulations and other relevant laws.

The Nomination and Remuneration Committee 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 with the objective of having a group that best enables the success of the Company's business.

The Nomination and Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

The Company shall appoint or re-appoint any person as its managing director or whole-time director/executive director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of his term.

5. Criteria of Independence

- The Nomination and Remuneration Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.
- The criteria of independence shall be as laid down in the Act, Listing Regulations and other relevant laws, if any, as amended from time to time.
- The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Act.

Maximum tenure of Independent Directors

Subject to the provisions of section 152 of the Companies Act, 2013, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for re-appointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report. However, no independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration 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.

For the purposes of above, any tenure of an independent director on the date of commencement of the Companies Act, 2013 shall not be counted as a term.

Expectation from Independent Director:

- Bring an external and independent perspective.
- Challenge the recommendations of other Board members, if it seems against the interest of the Company or its shareholders.
- Assist in setting and revising the Company's strategy and objectives.
- Ensure that there are proper risk management and internal control framework which are implemented concerning all aspects of the business of the Company.
- Consider management's plans on succession planning.
- Add the skills mix on the board and have suitable experience.
- Adherence to Code of Conduct for Independent Directors of the Company.
- Comply with the provisions of all applicable laws.

Performance evaluation of Independent Directors

- (a) The Nomination and Remuneration Committee shall lay down the evaluation criteria for performance evaluation of independent directors.
- (b) The Company shall disclose the criteria for performance evaluation, as laid down by the Nomination and Remuneration Committee, in its Annual Report.
- (c) The evaluation of independent directors shall be made by the entire Board of Directors (excluding the director being evaluated), which shall include –
 - performance of the directors; and
 - fulfillment of the independence criteria as specified in these regulations and their independence from the management.
- (a) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Non-executive Directors' compensation and disclosures

All fees / compensation, if any paid to non-executive directors, including independent directors, shall be fixed by the Board of Directors and shall require previous approval of shareholders in general meeting. The shareholders' resolution shall specify the limits for the maximum number of stock options that can be granted to non-executive directors, in any financial year and in aggregate.

The requirement of obtaining prior approval of shareholders in general meeting shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under the Companies Act, 2013 for payment of sitting fees without approval of the Central Government.

Independent directors shall not be entitled to any stock option.

Separate meetings of the Independent Directors

- (a) The independent directors of the Company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management. All the independent directors of the company shall strive to be present at such meeting.
- (b) The independent directors in the meeting shall, inter-alia:
 - (i) review the performance of non-independent directors and the Board as a whole;
 - (ii) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - (iii) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Qualifications of independent director:

Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

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- (Formulated on September 30, 2014 and Effective from October 1, 2014)
 - (Reviewed on March 30, 2019 and Effective from April 01, 2019)