

# Genus Power Infrastructures Limited

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## Policy for Selection of Directors & Senior Management and Determining Directors' Independence

### 1. PREFACE

Genus Power Infrastructures Limited (hereinafter referred to as "Genus" or the "Company" in this document) recognizes 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 recognizes the importance of Independent Directors in achieving the effectiveness of the Board. The Company aims to have an optimum combination of Executive, Non-Executive, Independent Directors and Senior Management.

### 2. SCOPE AND PURPOSE

This Policy inter alia sets out the guiding principles for the Nomination and Remuneration Committee ("NRC") for identifying persons who are qualified to become Directors and who may be appointed in senior management and for formulating the criteria for determining qualifications, positive attributes and independence of a director. 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.
- (G) **“Senior Management”** shall mean personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Directors, including the functional heads.
- (H) **“Associate Company”** shall mean any entity which is an associate under sub-section (6) of section 2 of the Companies Act, 2013 or under the applicable accounting standards.
- (I) **“Relative”** means relative as defined under sub-section (77) of section 2 of the Companies Act, 2013 and rules prescribed there under.

#### 4. CRITERIA FOR APPOINTMENT OF DIRECTORS

In evaluating the suitability of individual Board members, the NRC shall take into account the following factors/characteristics:

- Matching the requirements of the Company and enhancing the competencies of the Board are the basis for the NRC to shortlist and recommend a candidate for appointment to the Board.
- The NRC while recommending any appointment shall analyze the present and potential future needs and requirements of the Company and the power distribution infrastructure sector in which the Company conducts its business and operations having due regard to the benefits of diversity of the Board.
- The criteria to be considered when assessing prospective candidates for appointment as Directors shall include the following:
  - highest levels of personal and professional ethics and integrity
  - high quality attributes such as discipline, objectiveness, sensitivity and creativity
  - sharing and demonstrating the values of the Company
  - qualification in relevant disciplines (e.g. finance, management, accountancy, legal, etc.) or being a recognized specialist in disciplines or areas relevant to the Company and/or its business including but not restricted to experience in accounting and finance, administration, corporate and strategic planning
  - experience in the management of a diverse organization whether located in India and/or overseas
  - demonstrable ability to work effectively and constructively with the existing directors and senior management
  - excellent interpersonal, communication and representational skills
  - demonstrable leadership skills
  - strong influencing and negotiating skills
  - continuous professional development to update knowledge and skills
  - time commitment required from a Director to properly discharge his/her fiduciary duties towards the Company
  - the nature of existing positions held by the proposed appointee including other directorships held or other relationships and the impact it may have on the appointee’s ability to exercise independent judgment
  - any requirements under applicable law (including but not limited to under the Act, Listing Regulations and/or the rules/regulations made thereunder)

- In addition to such requirements as may be specified under this Policy, the Independent Directors shall also fulfill the applicable requirements prescribed under Section 149 of the Act, Listing Regulations and the rules/regulations made there under and other applicable laws as modified or amended or supplemented, from time to time.
- Each Independent Director shall be required to duly submit/ make the stipulated declarations required to be furnished pursuant to the provisions of the Act, Listing Regulations and the rules/regulations made there under and, other applicable laws and/ or the Articles of Association of the Company.
- The managing director, whole-time director or executive director shall also meet all criteria specified in section 197 and Schedule V of the Act, Listing Regulations and the rules/regulations made there under and, other applicable laws and/ or the Articles of Association of the Company.
- No person shall be considered for appointment/ re-appointment as a Director of the Company, if he/she is disqualified to be appointed/ re-appointed as such in terms of the provisions of Section 164 of the Act or under any other applicable law.
- No person shall be considered for appointment as a Director of the Company, if –
  - He/ she is already a Director in more than twenty companies at the same time including any alternate directorship; or
  - He/she is already a Director in ten or more public companies or private companies, which is either a holding or subsidiary company of a public company.
  - He/she is already a Director in seven *listed entities*
  - He/she is already a *independent director in more than seven listed entities*
- The proposed appointee shall also fulfill the following requirements:
  - The whole-time director / managing director of a 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.

## 5. Criteria for Appointment of Senior Management Position

- The NRC shall consider the present and future requirements of the Company and the sector in which it conducts its business and operations when short listing and recommending a candidate for a Senior Management position.
- The criteria to be considered when assessing prospective candidates for a Senior Management position shall include the following:
  - highest levels of personal and professional ethics and integrity
  - demonstrable leadership skills
  - specialist knowledge and/or experience required for the Senior Management position in question;
  - good interpersonal relationships
  - demonstrating intelligence, maturity and wisdom
  - possesses managerial abilities such as effective communication skills, action focus, people engagement, cultural sensitivity, flexibility, team player, strategic thinking, etc.
  - sharing and demonstrating the values of the Company;
  - ability to significantly contribute towards achievement of the strategic and business objectives of the Company
  - the factors which may adversely impact the ability of the candidate to fulfill his/ her duties
  - any requirements under applicable law (including but not limited to under the Act, Listing Regulations and the rules/regulations made there under).

## 6. Board Nomination Process

The selection procedure to be followed for the appointment of persons to the Board is as below:

- The NRC shall determine the selection criteria applicable for each position at the Board level.
- The NRC shall finalise a list of potential candidate(s) who meets the applicable selection criteria and submit such list to the Board along with its recommendations.
- The Board shall thereafter meet the short listed candidate(s) to assess their capability for the job. In the event that the Board may feel that no short listed candidate is suitable for appointment to the Board, the Board may request the NRC to submit a fresh list of candidates.
- The candidate selected by the Board, shall be appointed in accordance with the relevant provisions of the Act, Listing Regulations, rules/regulations made there under and other relevant laws, subject to the approval of the Shareholders of the Company at General Meeting.

## 7. Nomination Process for Senior Management position

The selection procedure to be followed for the appointment of persons at the Senior Management positions is as below:

- In case of vacancy/opening for the position of Senior Management position including CEO, the Managing Director ('MD') and/or Joint Managing Director ('JMD') shall identify and short list employees to fill such vacancy, who may meet the criteria mentioned in this Policy and recommend to the NRC.
- In the event that there are no suitable internal candidates within the Company for the respective positions, the NRC/MD/JMD as the case may be select an external candidate.
- Where the vacancy/opening is being filled at the Senior Management positions, the successful candidate shall be appointed in accordance with the provisions of the Act, Listing Regulations and the rules/regulations made there under and the Company's internal rules and regulations and policies.

## 8. Appointment Procedure for Director

- Every Director shall be appointed/ re-appointed by the Company at the general meeting on the recommendation of the Board.
- No person shall be appointed/ reappointed as a Director of the Company unless he/she has been allotted the Director Identification Number (DIN) and he furnishes to the Company a declaration to the effect that he is not disqualified to become a Director under the provisions of the Act, Listing Regulations and the rules/regulations made there under or under any other law for the time being in force and files consent to hold the office as Director.
- No person shall be appointed as a Director whose name appears in the list of wilful defaulters published by the Reserve Bank of India.
- No person shall be appointed as a Director, who is debarred from holding the office of director by virtue of any SEBI order or any other such authority.
- The NRC shall ensure that the appointment/ re-appointment of Directors of the Company is as per the terms of this Policy and recommendations of candidates are made to the Board for appointment.
- Managing director or whole-time director/executive director shall not be appointed or re-appointed for a term exceeding five years at a time. Further, no re-appointment shall be made earlier than one year before the expiry of his term.
- 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. 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 re-appointment for another term up to 5 consecutive years on passing of a special resolution 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.

#### **9. Appointment Procedure for Senior Management position**

Appointments for Senior Management positions shall be made in accordance with the provisions of the Act, Listing Regulations and the rules/regulations made there under and the Company's internal rules and regulations and policies. Letters of Appointment to Senior Management positions will be issued by the MD/JMD of the Company or to such other persons he / she may authorize.

#### **10. Removal**

Due to reasons for any disqualification mentioned in the Act, Listing Regulations and the rules/regulations made there under and / or for any disciplinary reasons and subject to such applicable laws, rules and regulations, the NRC may recommend, to the Board, with reasons recorded in writing, removal of any Director or Senior Management.

#### **11. Evaluation Procedure**

- The NRC shall develop such assessment criteria as it shall deem fit for the purposes of undertaking performance evaluation of the Directors and the Board as a whole. The NRC shall undertake an annual performance evaluation of all Directors of the Company based on the relevant assessment criteria developed by it.
- The assessment criteria for performance evaluation of Directors shall be disclosed in accordance with the relevant provisions of the Companies Act, 2013 and the rules framed there under.
- The evaluation of Senior Management will be done by the MD/JMD of the Company.

#### **12. CRITERIA OF INDEPENDENCE**

- The NRC 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.
- In case of appointment of Independent Director, the candidate shall meet the criteria of Independence as set out in Annexure-1.
- The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Act.

#### **13. CONFLICT BETWEEN LAWS AND POLICY**

In case of any conflict between the prevailing laws/rules/regulations and this policy, the prevailing laws/rules/regulations shall prevail. Further, any subsequent amendment / modification in the Act, Listing Regulations and other applicable rules/regulations/laws in this regard shall automatically apply to this Policy.

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  - (Reviewed on March 30, 2019 and Effective from April 01, 2019)
  - (Reviewed on May 28, 2021 and Effective from May 28, 2021)
  - (Reviewed on May 12, 2022 and Effective from May 12, 2022)
  - (Reviewed on May 01, 2023 and Effective from May 01, 2023)
  - [\(Reviewed on May 29, 2024\)](#)

| ~~• (Reviewed on ....., 2024 and Effective from ....., 2024)~~

### Criteria for Independence

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, which includes-

- He/she shall not be Managing Director or a Whole time Director or a Nominee Director.
- He/she shall be a person of integrity and shall possess relevant expertise and experience.
- He/she shall not be a promoter of the Company or its holding, subsidiary or associate Company.
- He/she shall not be related to promoters or Directors in the Company, its holding, subsidiary, or associate Company or member of the promoter group of the Company.
- He/she shall not have or had pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten (10) percent of my total income or such amount as may be prescribed with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the three (3) immediately preceding financial years or during the current financial year.
- None of his/her relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or fifty (50) lakh rupees or such higher amount as may be prescribed, whichever is lower, during the three (3) immediately preceding financial years or during the current financial year.
- None of his/her relatives-
  - (i) is holding any security of or interest in the Company, its holding, subsidiary or associate company during the three (3) immediately preceding financial years or during the current financial year:  
[Provided that the relative may hold security or interest in the Company of face value not exceeding fifty (50) lakh rupees or two (2) percent of the paid-up capital of the Company, its holding, subsidiary or associate company or such higher sum as may be prescribed];
  - (ii) is indebted to the Company, its holding, subsidiary or associate company or their promoters, or directors, in excess of fifty (50) lakh rupees or as may be prescribed during the three (3) immediately preceding financial years or during the current financial year;
  - (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the Company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for fifty (50) lakh rupees or as may be prescribed during the three (3) immediately preceding financial years or during the current financial year; or
  - (iv) has any other pecuniary transaction or relationship with the Company, or its subsidiary, or its holding or associate company amounting to two (2) percent or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii).
- Neither he/she nor any of his/her relatives-
  - (i) hold/(s) or have/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 or any company belonging to the promoter group of the Company in any of the three (3) financial years immediately preceding the financial year in which he is proposed to be appointed;

[Provided that in case of a relative who is an employee other than key managerial personnel, the restriction under this clause shall not apply for his/her employment.

- (ii) am/is or have/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 auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or
    - b) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - (iii) holds together with relatives 2% or more of the total voting power of the Company; or
  - (iv) am/is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
  - (v) is a material supplier, service provider or customer or a lessor or lessee of the Company.
- He/she is not less than 21 years of age.
  - He/she is not a non-independent director of another company on the board of which any non-independent director of the Company is an independent director.