

## **NOMINATION & REMUNERATION AND BOARD DIVERSITY POLICY**

### **Introduction**

As per Section 178 of the Companies Act, 2013 and rules framed thereunder along with any amendments thereto, ReNew Power Limited (**the “Company”**) has adopted a policy namely **“Nomination & Remuneration and Board Diversity Policy” (the “Policy”)** by passing a Board resolution on 5<sup>th</sup> April 2018. The Company has formulated the Policy to lay down a procedure to determine the qualifications, attributes and independence of Directors and recommend matters related to the remuneration of Directors, Senior Management, KMP and all other employees.

### **Definitions**

**“Act”** shall mean the Companies Act, 2013, rules framed thereunder and any amendments thereto.

**“Board”** shall mean Board of Directors of ReNew Power Limited as constituted from time to time.

**“Committee”** shall mean the Nomination and Remuneration Committee of the Board.

**“Independent Director”** shall mean a Director referred to in sub-section (6) of Section 149 of the Act.

**“Key Managerial Personnel or KMP”** shall mean “Key Managerial Personnel” as defined in sub-section (51) of Section 2 of the Act.

**“Remuneration”** shall mean any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.

**“Senior Management”** shall mean personnel of the Company who are members of its core management team excluding Board of Directors.

**“Subsidiary”** shall mean a subsidiary as defined under sub-section (87) of Section 2 of the Act.

All other words and expressions used but not defined in this Code but defined in the Act and/ or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such laws or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

### **Scope**

The scope of the Committee shall include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
2. Formulation of the criteria for the evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identify persons who are qualified to become directors or who may be appointed in Senior Management or Key Managerial Personnel in accordance with the criteria laid down, recommend to the Board their appointment and removal.
5. Evaluation of every Director’s performance and determine 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;
6. Developing a succession plan for the Board and senior management and regularly reviewing the plan;
7. Finalize and recommend various familiarisation programs for the Independent Directors;

8. Perform such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by committee;

#### **Appointment Criteria and Qualifications**

- a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Senior Management, KMP and recommend to the Board his/her appointment.
- b. A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position.
- c. The Company shall not appoint or continue the employment of any person as Whole-Time Director/Managing Director/Manager who has attained the age of 70 (seventy) years. Provided that the term of the person holding this position may be extended beyond the age of 70 (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 70 (seventy) years.

#### **Term / Tenure**

**a. Managing Director/Whole-Time Director/Manager:**

The Company shall appoint or re-appoint any person as Managing Director, Whole-Time Director or Manager, for a term not exceeding 5 (five) years at a time. No re-appointment shall be made earlier than 1 (one) year before the expiry of term.

**b. Independent Director:**

An Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board and will be eligible for re-appointment on passing of a Special Resolution by the Company.

No Independent Director shall hold office for more than 2 (two) consecutive terms, up to maximum of 5 (five) years each, but such Independent Director shall be eligible for appointment after expiry of 3 (three) years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company and its Subsidiaries, in any other capacity, either directly or indirectly.

#### **Remuneration**

- a) Remuneration of Managing and Whole Time Directors shall be governed by the provisions of Act.
- b) Remuneration of KMP (Other than Managing Director and Whole Time Director), Senior Management and other employees shall be governed by HR Policies of the Company.

#### **Removal**

Due to reasons for any disqualifications mentioned in the Act or under any other applicable Laws, and human resource policies of the Company, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, Senior Management and KMP, subject to the provisions and compliance of the Act and human resource policies of the Company.

#### **Retirement**

The Directors, Senior Management and KMP shall retire as per the applicable provisions of the Act, the Policy and other human resource policies of the Company. The Board will have the discretionary right to retain the Director, Senior Management and KMP in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### **Board Diversity & Familiarization**

The Board shall consist of such optimum number of Directors as per the requirements of the Act including at least one women Director.

The Committee will lead the process for Board appointments and forward its recommendations to the Board. All Board appointments will be based on the skills, diverse experience, independence and knowledge, which the Board as a whole requires to be effective. The Committee shall address Board vacancies by actively considering candidates that bring a diversity of background and industry experience or related expertise. The candidates will be considered against objective criteria having due regard to the benefits of diversity on the Board.

Additionally, the Committee may consider appointment of experts from various specialized fields such as finance, law, information technology, corporate strategy, marketing, business development, international business, operations management or any other professional area, so as to bring diversified skill sets on Board or succeed any outgoing Director with the same expertise.

the Committee shall familiarize the Independent Directors through various programs about the Company, including the following:

- a. nature of the industry in which the Company operates;
- b. business model of the Company;
- c. roles, rights, responsibilities of Independent Directors; and
- d. any other relevant information.

### **Duties**

The duties of the Committee in relation to various matters include:

- a. ensuring that there is an appropriate induction and training program in place for new Directors, Senior Management, other employees and reviewing its effectiveness;
- b. determining the appropriate size, diversity and composition of the Board;
- c. setting a formal and transparent procedure for selecting new Directors;
- d. developing a succession plan for the Board, Senior Management, KMP and regularly reviewing the plan;
- e. considering any other matters as may be requested by the Board;

### **Amendment**

The Board shall have power to amend any of the provisions of the Policy, substitute any of the provisions with a new provision or replace the Policy entirely with a new Policy according to subsequent modification(s)/amendment(s) to the Act.