

NOMINATION POLICY FOR DIRECTORS

1. PREFACE

Title	Nomination Policy for Directors
Version Number	1.00
Effective Date	31.03.2015
Authorised by	Board of Directors
Number of Revisions	None

2. PURPOSE

The primary objective of the Policy is to provide a frame work and set standards that is consistent with the provisions of sections 149, 178 and other applicable provisions of the Companies Act, 2013 and the Articles of Association of the Company, for the appointment of persons to serve as Directors on the Board of JSW Infrastructure Limited (“JSWIL” / “the Company”) and for appointment of the Key Managerial Personnel (KMP) of the Company, who have the capacity and ability to lead the Company towards achieving sustainable development.

Nothing contained in this policy shall apply to the appointment of Directors who are appointed as the Nominees on the Board by the Lenders/ other agencies in terms of contractual agreements except as required under the Companies Act, 2013.

Independent Directors for the purpose of the policy shall mean, “Independent Directors” as defined under applicable provisions of the Companies Act as may be in force from time to time.

Senior Management for the purpose of the policy shall mean all the executives of the Company (not being Directors) from the rank of Associate Vice President and above including all Functional Heads.

3. SIZE AND COMPOSITION OF THE BOARD

It should have:

- Mix of Qualification, skills and experience;
- Mix of Executive, Non-Executive and Independent Directors
- Minimum and maximum number of Directors as may be permitted by its articles, and by law;
- Atleast One Woman Director.

The Nomination and Remuneration Committee (Committee) established by the Board shall assist it in fulfilling its responsibilities relating to the size and composition of the Board.

In relation to above, the Nomination and Remuneration Committee is responsible for:

- i. reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board;
- ii. setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- iii. formulate criteria for determining qualifications and identify individuals suitably qualified to become Board members in terms of skills, knowledge, positive attributes, experience, independence of director and other factors as per the provisions of applicable law and selecting or making recommendations to the Board on the selection of individuals nominated for Directorship;
- iv. ensuring that on appointment to the Board, Independent Directors receive a formal letter of appointment, as required under the applicable law;
- v. assessing the independence of independent non-executive Directors;
- vi. monitoring the annual checks and assessment on the members of the Board, including the suitability and the sufficiency of time commitment of non-executive Directors; and
- vii. any other matter that is specifically delegated to the Committee by the Board.

4. SELECTION:

Recruitment shall be done as and when necessary to fill vacancies in JSWIL Board and KMP positions.

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The Nomination and Remuneration Committee shall solicit nomination of persons to be appointed as Directors from the existing members of the Board.

The Nomination and Remuneration Committee may also solicit recommendations for appointment of persons as Directors and KMP from any or all of the following sources: the Chief Executive Officer, Senior Management, other executive officers or third-party search firms.

The nomination shall be sent to the Chairman of the Nomination and Remuneration Committee via letter or e-mail. The nomination should include a brief description of the person's qualifications & experience, and a description of any previous relationships between the person and JSW Group and other relevant details.

In case of independent Directors, the Committee may identify suitable person(s) from across a diverse candidate pool or from a data bank containing names, addresses and qualifications of persons who are eligible and willing to act as independent Directors, maintained by any Body, institute or association, as may be notified by the Central Government, having expertise in creation and maintenance of such data bank and put on their website for use by the company making the appointment of such Directors. Provided that responsibility of exercising due diligence before selecting a person from the data bank referred to above, as an independent director shall lie with the Nomination and Remuneration Committee and Board making such appointment.

The Nomination and Remuneration Committee shall review and evaluate the candidate including his / her qualifications, and conduct inquiries it deems appropriate with no regard to the source of the initial recommendation of such proposed candidate.

After reviewing the profile of the nominated candidate & holding a meeting with the proposed candidate, if it so desires, the Nomination and Remuneration Committee may recommend the candidate for appointment as Director and KMP, as the case may be, to the Board of JSWIL, as required.

When recommending a candidate for appointment, the Nomination and Remuneration Committee:

- i. shall assess the appointee against a range of criteria including qualification, age, experience, positive attributes, independence, relationships, diversity of gender, background, professional skills and personal qualities required to operate successfully in the position and has discretion to decide adequacy of such criteria for the concerned position;

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- ii. All candidates shall be assessed on the basis of merit, related skills and competencies. There should be no discrimination on the basis of religion, caste, creed or sex.

The recommendation of the Nomination and Remuneration Committee shall be considered at the Board Meeting immediately following the meeting of the Nomination and Remuneration Committee at which the candidature was recommended.

The Final decision to appoint a candidate as a Director / KMP of JSWIL shall be taken by the Board of Directors by passing an appropriate resolution.

5. PROVISIONS RELATING TO APPOINTMENT / RESIGNATION / REMOVAL:***a. Election, re-election and retirement***

The Directors / KMP of the Company shall be appointed and shall retire as per the provisions of the Companies Act, 2013, where applicable, and the prevailing HR policies of the Company. The Board will have the discretion to retain the Director / KMP in the same position / remuneration or otherwise even after attaining the retirement age, in the interest and for the benefit of the Company and subject to compliance with the provisions of the Companies Act, 2013, where applicable.

All new Director appointees to the Board are subject to election at the General Meeting following their appointment. The explanatory statement annexed to the notice of the General Meeting called to consider the said appointment shall indicate the justification for choosing the appointee for appointment as director.

b. Resignation of Director/ KMP

The resignation of a director shall take effect from the date on which the notice of resignation is received by the Company or the date, if any, specified by the director in the notice, whichever is later or any other provisions as may be applicable.

The resignation of a KMP shall take effect in accordance with the HR Policy of the Company from time to time.

c. Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the

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Committee may recommend, to the Board with reasons recorded in writing, removal of a Director / KMP/ subject to the internal HR policy and provisions and compliance of the Act and other applicable, rules and regulations.

The Committee can also recommend to the Board, the removal of any Director/ KMP for non-compliance or violation of any rules laid down in the Company's Code of Conduct for Board Members and Senior Management Executives or Guidelines for Professional Conduct in accordance with Clause 5.

d. Familiarization Programme for Independent Directors

The company shall familiarize the Independent Directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes.

6. GUIDELINES FOR PROFESSIONAL CONDUCT:

All Directors, KMP shall:

- i. uphold ethical standards of integrity and probity;
- ii. act objectively and constructively while exercising his/ her duties;
- iii. exercise his/ her responsibilities in a *bona fide* manner in the interest of the company;
- iv. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- v. not abuse his/ her position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- vi. assist the Company in implementing the best corporate governance practices.
- vii. follow the Code of Conduct for Board Members and Senior Management Executives.

In addition:

- i. An independent director shall not allow any extraneous considerations that will vitiate his/ her exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- ii. An independent director shall refrain from any action that would lead to loss of his/her independence;

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- iii. Where circumstances arise which make an independent director lose his/ her independence, the independent director must immediately inform the Board accordingly;

Every individual intending to be appointed as director of the Company shall make an application for allotment of Director Identification Number (DIN) (in case he/she does not have a DIN) to the Central Government in such form and manner and along with such fees as may be prescribed. Every person proposed to be appointed as a director by the Company in General Meeting or otherwise, shall furnish his/ her Director Identification Number and a declaration that he/she is not disqualified to become a Director under this Act.

The person appointed as a director shall not act as a director unless he/she gives his/her consent to hold the office as director and such consent has been filed with the Registrar within thirty days of his/her appointment in such manner as may be prescribed.

The person appointed as a director shall not hold office as a director, including any alternate Directorship, in more than twenty companies at the same time. Provided that the maximum number of public companies in which he/she holds office as a director shall not exceed ten.

An Independent Director shall not serve as an Independent Director in more than such number of companies and a Whole-time Director cannot act as an Independent Director in more than such number of companies as provided under the applicable law.

7. DUTIES OF DIRECTORS:

The persons appointed as a director of the Company shall act in accordance with the articles of the Company and the provisions of applicable law. He/she 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, the community and for the protection of environment.

The persons appointed as a director shall not involve in a situation in which he/she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.

The persons appointed as Directors should not achieve or attempt to achieve any undue gain or advantage either to himself/herself or to his/her relatives, partners, or

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associates. The director should not assign his/her office. Any assignment, if made shall be void.

The persons appointed as Directors also have the following duties:

- To actively participate in the Board and Committee meetings
- To seek information from the management wherever required
- To disclose his/her interest in particular discussion and not to be present during such discussion in committee / board meetings
- To read the agenda and draft minutes carefully and provide inputs, if any
- To abide by the rules, policies, code of conduct of the company as may be applicable
- To safeguard the interests of all stakeholders

8. SUBJUGATION:

This policy shall be subject to the provisions contained in the Articles of Association of the Company, the Companies Act, 2013, any guidelines/directives issued by The Ministry of Corporate Affairs from time to time.

9. REVIEW:

This policy is subject to periodic review by the Board and may only be amended by a resolution of the Board.