



Brahmani River Pellets Limited

**NOMINATION POLICY FOR DIRECTORS, KEY
MANAGERIAL PERSONNEL AND SENIOR
MANAGEMENT**

NOMINATION POLICY

1. 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, the Articles of Association of the Company and the Shareholders Agreement dated 15th December, 2017 including any amendments thereof, for the appointment of persons to serve as Directors on the Board of Brahmani River Pellets Limited (“BRPL” / “the Company”) and for appointment of the Key Managerial Personnel (KMP) and Senior Management 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.

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

This policy shall be read in conjunction with the Company’s Policy on appointment and re-appointment of Independent Directors, adopted by the Board of Directors of the Company.

2. Size and Composition of the Board

The Board shall be structured in a way that its membership provides the mix of qualification, skills and experience to enable it to effectively discharge its responsibilities and that its size facilitates effective discussion and efficient decision making. It should have a balanced mix of Executive, Non-Executive and Independent Directors to have a proper understanding and competence to deal with the current and emerging issues of the business and to encourage enhanced performance of the Company. The Company’s size and operations as they evolve from time to time shall also be borne in mind while deciding an optimal structure of the Board.

The Company shall have a maximum of such number of directors as may be permitted by its Articles, Shareholders Agreement and by the Law. The Company shall have at least one woman director. The Company shall have such minimum number of independent directors 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.

All Independent Directors shall be persons of eminence who could bring a wide range of expertise and experience to the Board.

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 to complement the Company's corporate strategy;
- 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.

3. Selection

Recruitment shall be done annually or as necessary to fill vacancies in BRPL Board, KMP and Senior Management positions.

The Nomination and Remuneration Committee shall first 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, KMP and Senior management personnel from any or all of the following sources: the Chief Operating Officer, Senior Management, other executive officers, third-party search firms, or any other source it deems appropriate.

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 BRPL and other relevant details.

In case of independent Directors, the Committee may commence a search process across a diverse candidate pool. The candidate may be selected 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 Committee may also select a candidate for appointment as Independent Director from any other source it deems appropriate apart from the above.

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 & holdings a meeting with the proposed candidate, if it so desires, the Nomination and Remuneration Committee may nominate the candidate for appointment as Director, KMP or Senior Management, as the case may be, to the Board, as required.

The final decision to appoint a candidate as a Director/ KMP/ Senior Management of BRPL shall be taken by the Board of directors by passing an appropriate resolution.

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.

Selection Criteria

Matching the needs of the Company and enhancing its competencies shall be the basis for the Nomination and Remuneration Committee to select a candidate for appointment. When recommending a candidate for appointment, the Nomination and Remuneration Committee:

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;

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.

4. PROVISIONS RELATING TO APPOINTMENT / RESIGNATION / REMOVAL

a. Election, re-election and retirement

The Directors / KMP / Senior Management 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 / Senior Management 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

The resignation of a director / KMP/ Senior Management 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 / KMP/ Senior Management in the notice, whichever is later.

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 Committee may recommend, to the Board with reasons recorded in writing, removal of a Director / KMP/ Senior Management 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/

Senior Management for non-compliance or violation of any rules laid down in the **Code of Conduct and Ethics** applicable to senior management personnel and Board of Directors 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.

5. Guidelines for Professional Conduct

All Directors, KMP, Senior Management shall:

- i. uphold ethical standards of integrity and probity;
- ii. act objectively and constructively while exercising his duties;
- iii. exercise his 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 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.

In addition:

- i. An independent director shall not allow any extraneous considerations that will vitiate his 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 independence;
- iii. Where circumstances arise which make an independent director lose his 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 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 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 hold 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.

6. Duties of Directors

The persons appointed as a director of the Company shall act in accordance with the articles of the Company, **Shareholders Agreement** 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 of the Company shall exercise his/her duties with due and reasonable care, skill and diligence and shall exercise independent judgment. He/she 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 or to his relatives, partners, or associates. The director should not assign his office. Any assignment, if made shall be void.

The persons appointed as Directors also have the following duties:

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

7. Subjugation

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

8. Review

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