



INDIAN RENEWABLE ENERGY DEVELOPMENT AGENCY LIMITED

**POLICY ON DIVERSITY OF THE BOARD; CRITERIA FOR APPOINTING
SENIOR MANAGEMENT PERSONNEL (SMP); REMUNERATION TO
DIRECTORS, KEY MANAGERIAL PERSONNELs (KMPs) & OTHER
EMPLOYEES**

AND

CRITERIA FOR EVALUATION OF DIRECTORS

Adopted on 16.03.2022

Amended on:

- 1. 20.03.2024**
- 2. 28.04.2025**

POLICY ON DIVERSITY OF THE BOARD; CRITERIA FOR APPOINTING SENIOR MANAGEMENT PERSONNEL (SMP); REMUNERATION TO DIRECTORS, KEY MANAGERIAL PERSONNELs (KMPs) & OTHER EMPLOYEES AND CRITERIA FOR EVALUATION OF DIRECTORS.

Preface

In accordance with the requirements under the Regulations 19(4) read with Part D of Schedule II of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (**“the SEBI LODR Regulations”**), Companies Act, 2013 and other applicable laws, as amended from time to time and such other regulatory provisions, as applicable, the Nomination and Remuneration Committee of the Company (**“the NRC”**) is required to devise a policy for having diversity on the Board of Directors (the Board), criteria of appointment of senior management personnel, remuneration to Directors, KMPs & other employees and criteria for evaluation of Directors of Indian Renewable Energy Development Agency Limited (**“IREDA Ltd or Company”**).

The Policy on Diversity and Skills of the Board, criteria for appointing Senior Management Personnel and remuneration to Directors, KMPs and other Employees (**“the Policy”**) sets out a framework to achieve adequate diversity on the Board of the Company with high standards of knowledge, skills and expertise. Further, well-qualified, experienced and competent personnel are appointed in its senior management, in line with laid down criteria.

1. DEFINITIONS

In this Policy, unless the context otherwise requires

- (a) **‘Independent Director’ / ‘Non-official (Independent) Director’** shall mean an Independent Director of the Company within the meaning of the Companies Act, 2013, SEBI LODR Regulations or other applicable laws, as amended from time to time;
- (b) **‘Key Managerial Personnel (KMP)’** means as defined under Section 2(51) of the Companies Act.
- (c) **‘Nomination & Remuneration Committee (NRC)’** shall mean the Nomination & Remuneration Committee of Directors of IREDA Ltd, constituted as per the provisions of the Companies Act, 2013, SEBI LODR Regulations, DPE Guidelines on Corporate Governance for CPSEs and other applicable laws;
- (d) **‘Senior Management’** shall mean the officials of the Company, who are members of core management team, Officials at E-9 (Executive Director) level, and Chief Compliance Officer, Chief Risk Officer, Chief Information Security Officer, Chief Technology Officer (appointed in terms of RBI Guidelines), and includes Functional Heads and officials identified & designated as Key Managerial Personnel of the Company, other than directors;

Functional Heads includes Officials at E-9 (Executive Director) Level who are managing and overseeing specific functional areas /departments/groups in the Company and in the absence of the Executive Director in specific functional areas /departments/groups , the officials at E-8 (General Manager) Level leading

different functions and reporting directly to the director shall be deemed to be the Functional Heads.

All terms used in this Policy but not defined herein shall derive their meaning/definition from the Companies Act, 2013 and SEBI LODR Regulations

2. DIVERSITY & SKILLS OF THE BOARD

2.1 The Company believes that a diverse Board enhances the quality of the decisions made by it by utilizing the different skills, qualification, professional experience, knowledge etc. of the members of the Board.

2.2 In the process of attaining a diverse Board, the company is also governed by the following provisions of the Articles of Association, SEBI Regulations, Companies Act, DPE guidelines and Reserve Bank of India (RBI) Master Direction:

- The total number of directors constituting the Board shall be in accordance with the Articles of Association of the Company. Pursuant to which the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). The Directors are not required to hold any qualification shares.
- In accordance with the Articles of Association of the Company, the President shall have powers to appoint, the Chairman-cum-Managing Director, the Functional Director(s) and the Director(s).
- The Board of directors of the Company shall comprise of not less than 6 (six) directors and shall have an optimum combination of executive and non-executive directors with not less than fifty percent of the Board of Directors comprising non-executive directors.
- At least half of the Board shall comprise of Independent Directors (where the Chairman of the Board is executive) or at least one-third of the Board consisting of Independent Directors (where the Chairman of the Board is Non-Executive).
- The Company shall have at least one woman director on the Board.
- At least one of the Directors on the Board of an NBFC shall have relevant experience, preferably having worked in a bank/ NBFC

2.3 To add to the Board's diversity, it shall be desirable that Non-official (Independent) Directors appointed on the Board are from any of the following backgrounds:

- ∞ Retired CMDs / CEOs of CPSEs
- ∞ CEOs of reputed private listed companies
- ∞ Banking, finance or accountancy professionals
- ∞ Academicians, Professors, Heads of Departments or Directors of academic institutes or experienced in the fields of management, finance, marketing, information technology, human resources or law
- ∞ Professionals of repute with experience in the fields relevant to the Company's area of operations
- ∞ Persons of eminence with proven track record in industry, business, agriculture or management.

2.4 The Company also recognizes that appointment of Board members with knowledge, skills & expertise in, inter-alia, some of the area(s) specified below, would enable the Board to function effectively, enhance the Company's competitive position and aid the value creation for its stakeholders:-

- ∞ Professional Certification/Experience in Accounting
- ∞ Financial Management
- ∞ Power Sector Domain Expertise
- ∞ Project Appraisal
- ∞ Legal Advisor
- ∞ Corporate Planning & Strategy
- ∞ Risk Management
- ∞ Leadership
- ∞ Environmental Concern
- ∞ Social Concern
- ∞ Board Practices & Governance
- ∞ Business Development
- ∞ Managing information systems and/ or leading / guiding technology/ cybersecurity initiatives/ projects.

3. APPOINTMENT/REMOVAL OF DIRECTORS ON THE BOARD

3.1 IREDA is a Government Company within the meaning of Section 2 (45) of the Companies Act, 2013. Being a Government Company the process of selection, appointment, induction and removal of Directors vests with the President of India acting through Ministry of New and Renewable Energy (MNRE) and the Department of Public Enterprises (DPE), on the basis of merits such as the individual's skills, experience, independence and specialization in one or more areas for maintaining diversity on Board. In view of the above, the matters of suitable nomination / appointment / reappointment of Directors on the Board, in line with the abovementioned parameters of diversity and skills, shall be taken up with the administrative ministry i.e., MNRE, Government of India for needful consideration.

3.2 The nomination / appointment / reappointment of Directors and their eligibility criteria, qualifications, experience and selection procedure etc., is also subject to the prescribed norms of Department of Personnel & Training (DoPT), Department of Public Enterprises (DPE), Public Enterprises Selection Board (PESB) etc., as applicable from time to time, the compliance of which is taken care at the end of the administrative ministry.

3.3 The appointment or removal of Directors of the Company shall be approved by the Board of Directors on the recommendation of NRC and subject to such other approvals etc., as may be required under applicable statutory provisions.

4. CRITERIA FOR APPOINTING SENIOR MANAGEMENT PERSONNEL

4.1 A person may be appointed into a senior management position in the Company by way of either direct recruitment, deputation or promotion

- 4.2 The criteria for appointment of a person into senior management position by way of direct recruitment or deputation, shall be as per the detailed guidelines of the Company under 'Recruitment Policies and Procedures', as notified by the HR Division from time to time. Further, deputation cases shall also be governed by the applicable norms of Government of India. The criteria for appointment of a person into senior management position by way of promotion, shall be as per the detailed guidelines of the Company under 'Promotion Policy and Rules, as notified by the HR Division from time to time.
- 4.3 All appointments into senior management positions or removals therefrom shall be recommended by the NRC to the Board. However, removal does not include the cases of death, retirement on attaining the age of superannuation, resignation, voluntary retirement and repatriation of the deputationist on closure of term or on the Order(s) of the Government.

5. REMUNERATION TO DIRECTORS, KMPs, SMP AND OTHER EMPLOYEES

- 5.1 Being a CPSE, the remuneration of Functional Directors, Key Managerial Personnel and other employees of the Company, including Senior Management Personnel, shall be as per the extant guidelines on pay, perquisites, allowances etc. issued by the Department of Public Enterprises (DPE) and/or Government of India from time to time.
- 5.2 Further, as per DPE norms, the annual bonus / variable pay pool and policy for its distribution across the Board and below Board-level Officials shall be decided by NRC.
- 5.3 The Functional Directors so appointed shall be paid such salary and/ or allowances and/ or Compensation as the President may, from time to time, determine.
- 5.4 The Functional Directors and employees shall be entitled to welfare measures, functional allowances, compensation and benefits, as approved by the Board of Directors / CMD from time to time and as per extant rules and policies of the Company.
- 5.5 Independent Directors shall be paid sitting fees for attending the meetings of Board or Committees thereof besides payment of TA/ DA in terms of the DPE Guidelines issued by Department of Public Enterprises (DPE). The sitting fees shall be as decided by the Board from time to time, in terms of the applicable provisions of the Companies Act, 2013. However, the Government Nominee Director shall not be entitled to receive any sitting fees from the Company, as per norms of the Government of India.

6. Criteria for Evaluation of the Independent Director and the Board of Directors in accordance with SEBI LODR Regulations

In order to comply with SEBI LODR Regulations, the Performance Evaluation of Independent Director shall be done by the entire Board of Directors provided that in the evaluation process, the directors who are subject to evaluation shall not participate. And the Performance Evaluation of Non- Independent Director and the

Board of Directors shall be carried out by the Independent Director in their separate meeting without the presence of non-independent directors and members of the management

7. AMENDMENT(S)

The Board may review or amend this Policy, in whole or in part, from time to time, after taking into account the recommendations from the Nomination & Remuneration Committee.
