

**VEER GLOBAL INFRACONSTRUCTION LIMITED**

**POLICY FOR SELECTION  
OF DIRECTORS AND  
DETERMINING DIRECTORS'  
INDEPENDENCE**

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## 1. Introduction

1.1 VEER GLOBAL INFRACONSTRUCTION LIMITED believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. Towards this, VGIL ensures the constitution of a Board of Directors with an appropriate composition, size, Diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.

1.2 VGIL recognizes the importance of Independent Directors in achieving the effectiveness of the Board. VGIL aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

## 2. Scope and Exclusion

This Policy sets out the guiding principles for the Human Resources, Nomination and Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors in case of their appointment as independent directors of the Company.

## 3. Terms and References

In this Policy, the following terms shall have the following meanings:

3.1 "Director" means a director appointed to the Board of a company.

3.2 "Human Resources, Nomination and Remuneration Committee" means the committee constituted by VGIL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Companies (Appointment & Qualification of Directors) Rule, 2014.

3.3 "Independent Director" means a director referred to in subsection (6) of Section 149 of the Companies Act, 2013 and read with rule 4 of Companies (Appointment & Qualification of Directors) Rule, 2014.

## 4. Policy:

### 4.1 Qualifications and criteria

4.1.1 The Human Resources, Nomination and Remuneration (HRNR) Committee, and the Board shall review on an annual basis the appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse backgrounds and experience that are relevant for the Company's global operations.

4.1.2 In evaluating the suitability of individual Board members, the HRNR Committee may take into account factors, such as:

- General understanding of the Company's business dynamics, global business and social perspective;
- Educational and professional background standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

4.1.3 The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent to act as a Director;
- Shall endeavor to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013, read with Companies (Appointment & Qualification of Directors) Rule, 2014 and other relevant laws.

4.1.4 The HRNR Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company's business.

## **4.2 Criteria of Independence**

4.2.1 Apart from the provision made under Companies Act read with LODR obligations, the HRNR Committee 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.

## POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE

4.2.2 The criteria of independence, as laid down in the Companies Act, 2013 and the Companies (Appointment & Qualification of Directors) Rule, 2014, is as below:

An independent director in relation to a company means a director other than a managing director or a whole-time director or a nominee director—

a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

(i) who, is or was not a promoter of the company or its holding, subsidiary or associate company;

(ii) Who is not related to promoters or directors in the company, its holding, subsidiary or associate company.

b. who has or had no 12 pecuniary relationships, other than remuneration as such director or having transaction not exceeding ten percent of his 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 two immediately preceding financial years or during the current financial year;

c. None of whose relatives-

(i) Is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:

(ii) Is indebted to the company, its holding, subsidiary or associate company or their promoters, or Directors, in excess of such amount as may be prescribed during the two 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 such amount as may be prescribed during the two 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 per cent 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);

d) Who, neither himself nor any of his relatives

(i) Holds or has held the position of a key managerial personnel or is or has been an employee of the company or its holding, subsidiary or associate company in any of

the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) Is or 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 consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;

(iii) Holds together with his relatives two per cent or more of the total voting power of the company; or

(f) Who possesses such other qualifications as may be prescribed

4.2.3 The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013.

#### **4.3 Other directorships/committee memberships**

4.3.1 The Board members are expected to have adequate time, expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other companies in such a way that it does not interfere with their role as directors of the Company. The HRNR Committee shall take into account the nature of and the time involved in a Director's service on other Boards in evaluating the suitability of the individual Director and making its recommendations to the Board.

4.3.2 A Director shall not serve as Director in more than 20 companies, of which not more than 10 shall be Public Limited Companies.

4.3.3 A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.

4.3.4 A Director shall not be a member of more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included, and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.