



## 1. INTRODUCTION

- 1.1 The Policy on Board Diversity (“**the Policy**”) sets out the approach to diversity on the Board of Directors (the ‘Board’) of Waaree Energies Limited, (the “**Company**”).
- 1.2 This Policy is being adopted by the Company to comply with the applicable rules and regulations of the Companies Act, 2013 (“**the Act**”) and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”).
- 1.3 The policy has been approved by the Nomination and Remuneration Committee (“**NRC**”) at its meeting held on November 22, 2021 and approved by the Board at its meeting held on November 22, 2021.

## 2. POLICY STATEMENT:

- 2.1 The Company recognizes and embraces the benefits of having a diverse Board that possesses a balance of skills, experience, expertise and diversity of perspectives appropriate to the requirements of the businesses of the Company. The Company sees diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, gender and other distinctions between directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.
- 2.2 The Company maintains that the Board appointments should be based on merit that compliments and expands the skills, experience and expertise of the Board as a whole taking into account knowledge, professional experience, qualifications, age, and educational background, and any other factors that the Board might consider relevant and applicable from time-to-time for it to function effectively.
- 2.3 In the process of attaining a diverse Board based on the aforementioned criteria, the following criteria needs to be assessed:
  - (i) **Optimum Composition**
    - (a) The Board shall have an optimum combination of executive and non- executive directors with at least one woman director and not less than fifty per cent of the Board of directors comprising non- executive directors. Any vacancy of the woman director shall be filled within a period of six months.
    - (b) At least half of the Board should 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).
    - (c) At least half of the Board of the Company shall consist of independent directors where the regular non-executive chairperson is a promoter of the Company or is related to any Promoter or person occupying management positions at the level of Board or at one level below the Board.

- (d) The Board shall comprise of not less than six directors as required under Regulation 17 of the Listing Regulations.
- (e) The Company shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy-five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.
- (f) The board of directors shall meet at least four times a year, with a maximum time gap of one hundred and twenty days between any two meetings
- (g) The quorum for every meeting of the board of directors shall be one-third of its total strength or three directors, whichever is higher, including at least one independent director.

## **(II) Functional diversity**

- (a) Appointment of directors to the Board of the Company should be based on the specific needs and business of the Company. Appointments should be done based on the qualification, knowledge, experience and skill of the proposed appointee which is relevant to the business of the Company.
- (b) Knowledge of and experience in domain areas such as Solar business, NBFC, Banking and Finance, Corporate, Investment Banking, Legal, Risk, Management, etc., should be duly considered while making appointments to the Board level.
- (c) While appointing independent directors, care should be taken as to the independence of the proposed appointee.
- (d) Directorship in other companies may also be taken into account while determining the candidature of a person

## **(III) Stakeholder diversity**

- (a) The Company may also have directors on its Board representing the interest of any financial institution or any other person in accordance with the provisions of its articles of association and/ or any agreement between the Company and the nominating agency.
- (b) Subject to the provisions of Section 151 of the Act read with the relevant rules made thereunder, the Company may, upon notice of not less than one thousand small shareholders or one-tenth of the total number of such shareholders, whichever is lower, have a small shareholders' director elected by small shareholders.

### **3. ROLE OF NRC:**

3.1 The NRC shall be responsible for:

- a) reviewing and assessing the Board composition on behalf of the Board and shall recommend to the Board, the appointment of new directors based on their qualifications, positive attributes and independence;
- b) formally assessing the appropriate mix of diversity, skills, experience and expertise required on the Board and assessing the extent to which the required skills are represented on the Board;

- c) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- d) The NRC shall, while formulating the policy referred under point (c) aforesaid ensure that—
  - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:  
Provided that such policy shall be placed on the website of the company, if any, and the salient features of the policy and changes therein, if any, along with the web address of the policy, if any, shall be disclosed in the Board's report.
- e) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- f) To formulate the criteria for evaluation of performance of independent directors and the board of directors;
- g) devising a policy on diversity of board of directors;
- h) identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- i) 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.
- j) recommend to the board, all remuneration, in whatever form, payable to senior management
- k) making recommendations to the Board in relation to the Board succession, including the succession of the Chairman, to maintain an appropriate mix of diversity, skills, experience and expertise on the Board;
- l) reviewing and reporting to the Board in relation to Board Diversity; and

3.2 In reviewing the Board composition, NRC will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.

#### **4. REVIEW OF THE POLICY:**

- 4.1 The NRC will review the policy as and when required, which will include an assessment of the effectiveness of the policy.
- 4.2 The NRC will discuss any revisions that may be required and recommend any such revisions to the Board for approval

#### **5. PENALTY FOR NON ADHERENCE OF THE CLAUSE OF THE POLICY:**

Non – Adherence to any of the Clause as mentioned in this Policy will attract penalty of one lakh rupees which may extend to one crore rupees as prescribed under Section 15 HB of SEBI Act, 1992.

#### **6. PUBLICATION OF THE POLICY**

The Board at its discretion may make disclosures in the Annual Report regarding Board Diversity.

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This Policy was approved by the Board of Directors at its meeting held on September 17, 2021 and modified January 30, 2025.

**WAAREE**<sup>®</sup>

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