



POLICY ON APPOINTMENT OF DIRECTORS

Document Created: July 2023

Last reviewed: October 2024

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1. Preamble

- In terms of Section 178 of the Companies Act, 2013, rules made thereunder the Nomination and Remuneration Committee of Directors (“NRC”) has formulated this Policy on Appointment of Directors (the “Policy”) and the same was approved by the Board at its meeting held on July 27, 2023.
- This Policy on Appointment of Directors (the “**Policy**”) applies to the Board of Directors (the “**Board**”) of HDFC Capital Advisors Limited (“**Company**”).
- The primary objective of the Policy is to provide a framework and set standards for the appointment of talented and self-motivated Directors who should have the capacity and ability to lead the Company towards achieving its stated goals and strategic objectives taking into account the interest of all stakeholders.
- The Board is ultimately responsible for the appointment of Directors and recommending the appointment of Independent Directors to the shareholders for their approval.
- The Board delegates its responsibility for the assessment and selection of suitable candidates for the position of Directors of the Company to the NRC, which will submit its recommendations to the Board, in accordance with this Policy.

2. Criteria for Appointment as a Director of the Company

- Matching the requirements of the Company and enhancing the competencies of the Board are the basis for the NRC to shortlist and recommend a candidate for appointment to the Board.
- The NRC while recommending any appointment shall analyze the present and potential future needs and requirements of the Company and the real estate sector in which the Company conducts its business and operations having due regard to the benefits of diversity of the Board.
- The criteria to be considered when assessing prospective candidates for appointment as Directors shall include the following:
 - highest levels of personal and professional ethics and integrity;
 - high quality attributes such as discipline, objectiveness, sensitivity, creativity;
 - sharing and demonstrating the values of the Company;
 - qualification in relevant disciplines (e.g. finance, management, accountancy, legal, education, etc.) or being a recognized specialist in disciplines or areas relevant to the Company and/or its business including but not restricted to experience in accounting and finance, administration, corporate and strategic planning; experience in the management of a diverse organization whether located in India and/or overseas;
 - demonstrable ability to work effectively and constructively with the existing directors and senior management;
 - excellent interpersonal, communication and representational skills;
 - demonstrable leadership skills;
 - strong influencing and negotiating skills; and
 - continuous professional development to update knowledge and skills;
 - time commitment required from a Director to properly discharge his fiduciary duties towards the Company;

- the nature of existing positions held by the proposed appointee including other directorships held or other relationships and the impact it may have on the appointee's ability to exercise independent judgment.

- any requirements under applicable law (including but not limited to under the Companies Act, 2013 and/or the rules made thereunder).

- In addition to such requirements as may be specified under this Policy, the Independent Directors shall also fulfill the applicable requirements prescribed under Section 149 of the Companies Act, 2013 and the rules made there under and other applicable laws as modified or amended or supplemented, from time to time.

- Each Independent Director shall be required to duly submit/ make the stipulated declarations required to be furnished pursuant to the provisions of the Companies Act, 2013 and the rules made there under, other applicable laws and/ or the Articles of Association of the Company.

- No person shall be considered for appointment/ re-appointment as a Director of the Company, if he/she is disqualified to be appointed/ re-appointed as such in terms of the provisions of Section 164 of the Companies Act, 2013 or under any other applicable law.

- No person shall be considered for appointment as a Director of the Company, if –

- He/ she is already a Director in more than twenty companies at the same time including any alternate directorship; or

- he is already a Director in ten or more public companies or private companies, which is either a holding or subsidiary company of a public company.

3. Board Nomination Process

The selection procedure to be followed for the appointment of persons to the Board is as below:

- The NRC shall determine the selection criteria applicable for each position at the Board level.

- The NRC shall finalise a list of potential candidate(s) who meets the applicable selection criteria and submit such list to the Board along with its recommendations.

- The Board shall thereafter meet the short listed candidate(s) to assess their capability for the job. In the event that the Board may feel that no short listed candidate is suitable for appointment to the Board, the Board may request the NRC to submit a fresh list of candidates.

- The candidate selected by the Board, shall be appointed in accordance with the relevant provisions of the Companies Act, 2013, rules made there under, subject to the approval of the Shareholders of the Company at General Meeting.

4. Appointment Procedure for Director

- Every Director shall be appointed/ re-appointed by the Company at the general meeting on the recommendation of the Board.

- No person shall be appointed/ reappointed as a Director of the Company unless he/she has been allotted the Director Identification Number (DIN) and he furnishes to the Company a declaration to the effect that he is not

disqualified to become a Director under the provisions of the Companies Act, 2013 and rules made there under or under any other law for the time being in force and files consent to hold the office as Director.

- No person shall be appointed as a Director whose name appears in the list of wilful defaulters published by the Reserve Bank of India.
- The NRC shall ensure that the appointment/ re-appointment of Directors of the Company is as per the terms of this Policy and recommendations of candidates are made to the Board for appointment.

5. Letters of Appointment

- The Chairman of the NRC shall issue a formal letter of appointment to the person appointed as a Director of the Company . The letter of appointment to be issued to the Independent Directors shall *inter-alia* set out the matters as stated in Schedule IV of the Companies Act, 2013.

• Evaluation Procedure

- The NRC shall develop such assessment criteria as it shall deem fit for the purposes of undertaking performance evaluation of the Directors and the Board as a whole. The NRC shall undertake an annual performance evaluation of all Directors of the Company based on the relevant assessment criteria developed by it.
- The assessment criteria for performance evaluation of Directors shall be disclosed in accordance with the relevant provisions of the Companies Act, 2013 and the rules framed there under.

6. Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013 or under any other applicable law, rules and regulations there under and / or for any disciplinary reasons and subject to such applicable laws, rules and regulations, the NRC may recommend, to the Board, with reasons recorded in writing, removal of any Director .

7. Policy Review

- This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Companies Act, 2013 and rules made there under and other applicable laws, the Memorandum and Articles of Association of the Company or as may be otherwise prescribed by the Board from time to time.
- The NRC may issue/implement such guidelines, procedures, formats and/or reporting mechanisms to enforce this Policy as it may deem fit.
