

# **HERANBA INDUSTRIES LIMITED**

**CIN: L24231GJ1992PLC017315**

## **POLICY ON NOMINATION AND APPOINTMENT OF DIRECTORS/CRITERIA FOR APPOINTMENT OF SENIOR MANAGEMENT**

(Framed under section 178 of the Companies Act, 2013 read with Part D of Schedule II  
of the SEBI (Listing Obligations and Disclosure Requirements) Regulations,  
2015)

Approved on: May 30, 2023

**Purpose:**

Heranba Industries Limited (the "**Company**") is a Listed Public Limited company whose equity shares are listed on National Stock Exchange of India Limited and BSE Limited and subject to the rules and regulations issued by the Securities and Exchange Board of India("SEBI").

In terms of Section 178 of the Companies Act, 2013, rules made thereunder read with the relevant regulation of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and the Listing Agreement entered into by the Company with Stock Exchanges, the Nomination and Remuneration Committee is, inter alia, required to determine the appropriate size and composition of the Board, formulate criteria for identifying suitable candidates for the position of Directors and Senior Management and criteria for determining the qualifications, positive attributes and independence of director, devise succession plan and recommend to the Board appointment and removal of Board and Senior Management personnel.

This Policy shall act as a guideline for determining qualifications, positive attributes, and independence of a Director and matters related to the appointment and removal of Directors and Senior Management.

**Objective:**

This Policy would lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive, Non-executive and Independent) and Senior Management, including their qualifications, positive attributes and independence.

**Definitions:**

**"Act"** means the Companies Act, 2013 including the rules, schedules, clarifications and guidelines issued by the Ministry of Corporate Affairs from time to time.

**"SEBI Regulation"** means the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 including the amendments, guidelines as may be issued by the SEBI from time to time.

**"Senior Management"** as officers/personnel of the Company who are members of its Core Management Team excluding Board of Directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) including the functional heads and shall specifically include company secretary and chief financial officer and the persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity.

**"Nomination and Remuneration Committee"** means the Committee constituted by the Board of Directors of the company in accordance with the provisions of section 178 of the act and regulation 19 of the SEBI Regulation (hereinafter referred to as "**NRC**").

### **Criteria for appointment of Directors:**

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, 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; and
- 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, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or the rules made thereunder).

In addition to such requirements as may be specified under this Policy, the Independent Director 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, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 are 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/she is already a Director in ten or more public companies;  
(For reckoning the limit of public companies in which a person can be appointed as director, directorship in private companies that are either holding or subsidiary company of a public company shall be included.)
- He/she is already a director in more than eight listed entities;
- For the appointment as an independent director, he/she is an independent director in more than seven listed entities;
- For the appointment as an independent director, if he/she is already serving as a Managing Director/Wholtime director in any listed entity and is an independent director in more than three listed entities.

#### **Criteria for Appointment of Senior Management Position:**

The NRC shall consider the present and future requirements of the Company and the sector in which it conducts its business and operations when short listing and recommending a candidate for a Senior Management position.

The criteria to be considered when assessing prospective candidates for a Senior Management position shall include the following:

- highest levels of personal and professional ethics and integrity;
- demonstrable leadership skills;
- specialist knowledge and/or experience required for the Senior Management position in question;
- good interpersonal relationships;

- demonstrating intelligence, maturity and wisdom;
- possesses managerial abilities such as effective communication skills, action focus, people engagement, cultural sensitivity, flexibility, team player, strategic thinking, etc.;
- sharing and demonstrating the values of the Company;
- ability to significantly contribute towards achievement of the strategic and business objectives of the Company;
- the factors which may adversely impact the ability of the candidate to fulfill his/ her duties; and
- any requirements under applicable law (including but not limited to under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or the rules made thereunder).

**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.

**Nomination Process for Senior Management position:**

The selection procedure to be followed for the appointment of persons at the Senior Management positions is as below:

- In case of vacancy/opening for the position of CEO, the NRC shall identify and short list employees to fill such vacancy, who may meet the criteria mentioned in this Policy.
- In case of vacancy/opening for other Senior Management position, the CEO shall identify and short list employees to fill such vacancy, who may meet the criteria mentioned in this Policy and recommend to the NRC.
- In the event that there are no suitable internal candidates within the Company

for the respective positions, the NRC/CEO as the case may be select an external candidate.

- Where the vacancy/opening is being filled at the Senior Management positions, the successful candidate shall be appointed by the Board in accordance with the provisions of the Companies Act, 2013, rules made there under and the Company's internal rules and regulations and policies.

#### **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 gives his/her 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 are as per the terms of this Policy and recommendations of candidates are made to the Board for appointment.

#### **Appointment Procedure for Senior Management position:**

Appointments for Senior Management positions will be approved / ratified by the Board and subject to the recommendation by the NRC.

#### **Letters of Appointment:**

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.

Letters of Appointment to other Senior Management positions will be issued by the H.R. Department of the Company.

#### **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 done in accordance with the relevant provisions of the Companies Act, 2013 and the rules framed there under and the separate policy for the evaluation procedure has been made

available on the website of the company at [www.heranba.co.in](http://www.heranba.co.in).

**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, SEBI Regulations, as amended and rules made there under, from time to time 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.

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