

**BOOKER INDIA PRIVATE LIMITED**  
**POLICY ON APPOINTMENT OF DIRECTORS**

*Effective from 4<sup>th</sup> December 2019*

## **A) SCOPE AND PURPOSE OF THE POLICY**

In terms of Sections 178 and 134 of the Companies Act, 2013 (Act), the Company is required to formulate a policy on appointment of Directors and also formulate the criteria for determining qualifications, positive attributes, independence of a Director.

In light of the above, the Company has framed this Policy on appointment of Directors (Policy) which also lays down the criteria for determining qualifications, positive attributes, independence of a Director.

In case of any inconsistency in the Policy and the Act, as may be amended from time to time, the provisions of the Act would prevail.

## **B) REVIEW OF THE POLICY**

This Policy has been adopted by the Board of Directors of the Company based on recommendations of the Nomination and Remuneration Committee (NRC). Going forward, the NRC would review and amend the Policy as and when required, subject to the approval of the Board.

## **C) ABOUT THE COMPANY**

The Company is carrying on the wholesale cash and carry business.

## **D) OBJECTIVE OF THE POLICY**

To lay down the criteria and terms and conditions with regards to the identification of persons who are qualified to become Directors (executive, non-executive and independent) including their qualifications, positive attributes and independence.

## **E) APPOINTMENT OF DIRECTORS**

- It is the responsibility of the NRC to develop competency requirements for the Board based on the industry and strategy of the Company. Board composition analysis should ideally reflect in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.
- The NRC shall conduct a gap analysis and refresh the Board on a periodic basis, including every time a Director's appointment or reappointment is required.
- Board members may provide Director nominations to the Chairman of the NRC. The nominees should have a good personal and professional reputation.
- To meet the objectives of driving diversity and an optimum skill mix, the NRC may seek the support of Group Human Resources. Recommended sources of Directors could be active and retired CXOs, professional persons and experts in relevant fields.

- The NRC is also responsible for meeting potential candidates prior to making recommendations of their nomination to the Board.
- It is the responsibility of the NRC to make recommendations to the Board in relation to the appointment of new Directors, as may be applicable. The NRC should conduct appropriate reference checks and due diligence on all Director prospects before recommending them to the Board and seek consultation from the holding company, as may be applicable.
- Post requisite approvals, the desired candidate shall be invited to join the Board.
- At the time of appointment, the specific requirements for the position should be communicated to the person, including the expert knowledge expected.

## **F) DIVERSITY OF THE BOARD**

- The Board of Directors of the Company will ensure that a transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender.
- It is expected that the Board has an appropriate blend of functional and industry expertise.
- While recommending appointment of a Director, it is expected that the NRC consider the manner in which the function and domain expertise of the individual contributes to the overall skill-domain mix of the Board.
- To meet the objectives of driving diversity and an optimum skill mix, the NRC may seek the support of Group Human Resources.

## **G) CRITERIA FOR QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR**

### **a) Definition of Independence**

A Director will be considered as an "Independent Director" if the person meets with the criteria for Independent Director as laid down in Section 149 of the Act.

The definition of Independence as provided in the Act is as follows:

An Independent Director means a non-executive director, other than a nominee director of the entity:

- a. who, in the opinion of the Board of Directors, is a person of integrity and possesses relevant expertise and experience;
- b. who is or was not a promoter of the Company or its holding, subsidiary or associate company;
- c. who is not related to promoters or directors in the Company, its holding, subsidiary or associate company;
- d. who, apart from receiving director's remuneration or having transaction not exceeding ten percent of his total income or such amount as may be prescribed, has or had no pecuniary relationship 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;

e. 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:

Provided that the relative may hold security or interest in the Company of face value not exceeding fifty lakh rupees or two percent of the paid-up capital of the Company, its holding, subsidiary or associate company or such higher sum as may be prescribed;

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 or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, amounting to two percent 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;

f. who, neither himself, nor whose relative(s) —

- 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; Provided that in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during preceding three financial years.

- 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 firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or

- any legal or a 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;

- holds together with his relatives two per cent or more of the total voting power of the Company; or

- is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the Company;
- g. Who has applied online to the Indian Institute of Corporate Affairs (Institute) for inclusion of his name in the data bank of Independent Directors for such period as may be prescribed and has passed the online proficiency self-assessment test conducted by the Institute within the specified period from the date of inclusion of his name in the data bank unless so exempted under applicable provisions;
- h. Who possesses such other qualifications as may be prescribed.

Current and ex-employees of a Tata Company may be considered as independent only if he/ she has or had no pecuniary relationship with any Tata Company (due to employment/ receipt of monthly pension by way of Special Retirement Benefits/ holding consultant or advisor positions) during the two immediately preceding financial years or during the current financial year.

#### **b) Qualifications of Directors**

- The Board of Directors will ensure that a transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender.
- It is expected that the Board of Directors have an appropriate blend of functional and industry expertise.
- While recommending appointment of a Director, it is expected that the NRC consider the manner in which the function and domain expertise of the individual contributes to the overall skill-domain mix of the Board.
- Independent Directors ideally should be thought/ practice leaders in their respective functions/ domains.

#### **c) Positive attributes of Directors**

Directors are expected to comply with duties as provided in the Act. For reference, the duties of the Directors as provided by the Act are as follows:

A Director of the Company shall:

- 1) act in accordance with the articles of the Company;
- 2) act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company,

- its employees, the shareholders, the community and for the protection of environment;
- 3) exercise duties with due and reasonable care, skill and diligence and exercise independent judgment;
  - 4) not be involved in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
  - 5) not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates;
  - 6) not assign his office.

Additionally, the Directors are also expected to demonstrate high standards of ethical behavior, integrity and probity, strong interpersonal and communication skills and soundness of judgment.

Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to Section 149(8) of the Act. The Code specifies the guidelines of professional conduct, role & functions and duties of Independent Directors.

The guidelines of professional conduct specified in the Code are as follows:

An Independent Director shall:

- 1) uphold ethical standards of integrity and probity;
- 2) act objectively and constructively while exercising his duties;
- 3) exercise his responsibilities in a bona fide manner in the interest of the Company;
- 4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- 6) not abuse his position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- 7) refrain from any action that would lead to loss of his independence;
- 8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- 9) assist the Company in implementing the best corporate governance practices.