

POLICY ON BOARD DIVERSITY AND DIRECTOR ATTRIBUTES**1. Objective**

- 1.1 The Policy on Board Diversity ('the Policy') sets out the approach to diversity on the board of directors ('the Board') of The Tata Power Company Limited ('the company').
- 1.2 The company recognises that diversity at board level is a necessary requirement in ensuring an effective board. A mix of executive, independent and other nonexecutive directors is one important facet of diverse attributes that the company desires. Further, a diverse board representing differences in the educational qualifications, knowledge, experience, gender, age, cultural background, race, ethnicity, nationality, thought, perspective and other diversity results in delivering a competitive advantage and a better appreciation of the interests of stakeholders. These differences should be balanced against the need for a cohesive, effective board. All board appointments shall be made on merit having regard to this policy.

2. Attributes of directors

- 2.1 The following attributes need to be considered in considering optimum board composition:
- i. **Gender diversity**
Having atleast one woman director on the Board with an aspiration to reach three women directors.
 - ii. **Age**
The average age of board members should be in the range of 60 - 65 years.
 - iii. **Competency**
The board should have a mix of members with different educational qualifications, knowledge and with adequate experience in finance, accounting, economics, legal and regulatory matters, the environment, green technologies, operations of the company's businesses, energy commodity markets and other disciplines related to the company's businesses.
 - iv. **Independence**
The independent directors should satisfy the requirements of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the 'independence' criterion.

Additional Attributes

- The directors should not have any other pecuniary relationship with the company, its subsidiaries, associates or joint ventures and the company's promoters, besides sitting fees and commission.
- The directors should not have any of their relatives (as defined in the Act and Rules made thereunder) as directors or employees or other stakeholders (other than with immaterial dealings) of the company, its subsidiaries, associates or joint ventures.
- The directors should maintain an arm's length relationship between themselves and the employees of the company, as also with the directors and employees of its subsidiaries, associates, joint ventures, promoters and stakeholders for whom the relationship with these entities is material.
- The directors should not be the subject of allegations of illegal or unethical behaviour, in their private or professional lives.
- The directors should have ability to devote sufficient time to the affairs of the Company.

3. Role of the Nomination and Remuneration Committee

- 3.1 The Nomination and Remuneration Committee ('the NRC') shall review and assess board composition whilst recommending the appointment or reappointment of independent directors.

4. Review of the Policy

- 4.1 The NRC will review this policy periodically and recommend revisions to the board for consideration.