

**ADANI GREEN ENERGY LIMITED**

Executive Remuneration - Malus and Clawback Policy

**EXECUTIVE REMUNERATION MALUS AND CLAWBACK POLICY**

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## 1. Policy Purpose

The purpose of this Policy is to augment corporate governance practices by enabling the Board of Adani Green Energy Limited (**the Board**) to apply malus or clawback provisions on certain elements of Senior Management's remuneration, in exceptional circumstances of a material misstatement of the Company's financial statements.

The Policy is expected to further align the interests of Company's Senior Management with the long-term interests of the Company and to ensure that excessive risk taking is not rewarded.

**Malus** refers to adjustment/reduction of 'at risk' remuneration, prior to vesting/ due date of an Incentive (defined later). **Clawback** refers to the cancellation of unvested/pending Incentives and includes recovery of paid Incentives, subject to applicable laws.

The Policy framework provides a transparent mechanism for applying Malus or Clawback, to ensure that Senior Management remuneration outcomes are fair, appropriate and reflect business performance.

## 2. Scope

The Policy applies to Senior Management of the Company, including its Key Managerial Personnel. The Policy applies to awards, commitments or payment of Short-Term Incentives (STI) and Long-Term Incentives (LTI) of any nature (collectively the "**Incentives**").

## 3. Policy Details

The Policy is designed to be preventative, remedial or punitive in nature, in the event of a significant material misstatement in or restatement of the Company's financial results which impacts any performance based compensation ("**Trigger**").

The Board may, on the recommendation of NRC, apply Malus or Clawback on the 'at risk' remuneration, where there is reasonable evidence that an executive

(member of Senior Management) has contributed to, or been responsible for misstatement in financial results leading to the restatement of financial results for reasons including:

- a) Personally acting fraudulently or dishonestly or in a manner that adversely affects the Company's reputation or which is characterized as gross misconduct;
- b) Directing an employee, contractor or advisor to act fraudulently, dishonestly or to undertake other misconduct;
- c) Breaching their material obligations to the Company through error, omission or negligence;
- d) Receiving an Incentive because of fraud, dishonesty or a breach of obligation committed by another person; and / or
- e) Receiving an Incentive because of an error in the calculation of a performance measure.

Examples of a breach of material obligation that could trigger application of this Policy could include:

- a) material misstatement in the accounts of Company (standalone / consolidated) for the years relevant to an Incentive; or
- b) Conduct exposing the Company/ Group to potential reputational damage or legal action or that is otherwise in a breach of the Code of Conduct.

This Policy shall **not** apply in the case of a restatement of financial results caused by a change in applicable accounting standards or interpretations.

#### 4. Board Actions

Based on merits and facts and recommendations of the NRC, the Board may apply Malus and/or Clawback, to adjust/cancel/recover the Incentives, either fully or partially.

In making this determination, the Board will consider whether the application of the provision may result in unintended consequences, prejudice the interests of the Company in any related proceeding or investigation, or any pending legal proceeding related to applicable fraud or intentional illegal conduct.

## **5. Due Process Rights**

Before making its recommendation to the Board under this Policy, the NRC shall:

- a) ensure natural justice principles are applied and exercise its duty to act fairly;
- b) review the situation to understand the impact of the misstatement;
- c) assess the proximity of the concerned executive and their level of responsibility regarding the Trigger;
- d) consider the written response, clarify matters directly with concerned executive as required (in writing or verbally in a NRC meeting); and

provide the concerned executive with written notice of the intended actions and the right to respond in writing within 14 (fourteen) days to raise any additional salient matters.

## **6. Policy Introduction**

This Policy, on adoption by the Board, will apply to all Incentives granted/ paid on or after 1<sup>st</sup> May, 2023 to Senior Management of the Company. Any Incentive awarded / paid to Senior Management on or after 1<sup>st</sup> May, 2023 will be deemed to be made and accepted by that executive, subject to the terms of this Policy.

## **7. Disclosure**

The Company will ensure appropriate disclosure of this Policy on its website. The features of this Policy shall also be brought to the notice of Senior Management, for effective implementation.

## **8. Review**

The NRC will review the Policy at least annually and make recommendations to the Board as to any changes it considers should be made.

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