

**NOMINATION AND REMUNERATION POLICY**  
**INDIA GRID TRUST (IndiGrid)**

**1. Preamble**

IndiGrid shall constitute the Nomination and Remuneration Committee (NRC) through the Board. The NRC is central to the effective functioning of the Board and the responsibilities of NRC shall include in addition to the roles and responsibilities covered under this Policy any other such items as may be prescribed by Applicable Law or by the Board in compliance with applicable law from time to time. Section 178 of the Companies Act, 2013 ("Act") read with the applicable rules thereto and provisions of clause 19 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (together referred to as "Applicable Laws") require the NRC of every listed company to:

- a. Identify persons who are qualified to become Directors and who may be appointed in Key Managerial Personnel (KMP) role(s) and / or Senior Management Personnel (SMP) role(s) in accordance with the criteria laid down, and recommend to the Board their appointment and removal
- b. Formulate the criteria for determining qualifications, positive attributes and independence of a Director
- c. Devising a policy on diversity of Board of Directors
- d. Specify the manner and criteria for effective evaluation of the performance of the Board, its committees and individual Directors to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance. Basis the performance evaluation results of independent Directors, decide whether to extend or continue their term of appointment or not
- e. Recommend to the Board of Directors a policy relating to the remuneration of the Directors, KMP and other employees including SMP

This policy shall act as a guide or reference on some of the above-mentioned objectives.

**2. Definitions**

- a. "Act" means Companies Act 2013 and rules there-under, as amended from time to time
- b. "Applicable Laws" means applicable provisions of the Act and the SEBI Regulations
- c. "Board" means the collective body of the Directors of the Company
- d. "Committee" means the Nomination & Remuneration Committee
- e. "Company" means IndiGrid
- f. "Director" means a Director appointed to the Board of the Company
- g. "Independent Director" means as provided under Applicable Laws
- h. "Key Managerial Personnel" or "KMP" means as provided under Applicable Laws
- i. "Policy" means the Nomination and Remuneration Policy
- j. "Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961
- k. "SEBI Regulations" mean the SEBI LODR (Listing Obligations & Disclosure Requirements) Regulations, 2015

- I. "Senior Management" or "Senior Management Personnel" or "SMP" means as provided under Applicable Laws. In the context of the Company, SMP means personnel of the Company comprising of all members of management one level below the executive Directors including the functional heads but excluding executive assistants and secretaries.

### **3. Composition and Chairmanship of the Nomination and Remuneration Committee**

The Committee shall comprise of at least three Directors and at least fifty percent of the Directors shall be independent Directors. All Directors of the committee shall be non-executive Directors. However, the executive chairperson of the Board (if any) may be appointed as a member of the NRC but shall not chair the Committee. The chairperson of the Committee shall be an independent Director and shall be appointed by the Board. In case the chairperson is not present at any Committee meeting, the members present at the meeting shall, amongst themselves, elect a chairperson for that particular meeting. The chairperson of the NRC may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries. Membership of the Committee shall be disclosed in the Annual Report. The terms of the Committee members shall be continued unless terminated by the Board of Directors.

### **4. Appointment criteria and qualifications of Directors, KMP & SMP**

- a. Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, KMP and SMP and recommend to the Board his/ her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- b. A person to be appointed as Director or KMP or SMP should possess adequate qualification, expertise and experience for the position he / she is considered for.
- c. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth and complementary skills in relation to the other Board members.
- d. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years.
- e. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

### **5. Removal of Directors, KMP & SMP**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or SMP subject to the provisions and compliance of the said Act, rules and regulations.

### **6. Remuneration to Executive Directors, Key Managerial Personnel & Senior Management Personnel**

The remuneration to or standard structure of remuneration plan for the Executive / Whole time Director, KMPs & SMPs shall be recommended by the Committee to the Board for approval. The remuneration / compensation / commission, etc. as the case may be, shall be subject to the prior / post approval of the shareholders of the Company wherever required and shall be in accordance with the provisions of the Act and Rules made thereunder, as amended from time to time.

## **7. Remuneration to Non-Executive/ Independent Directors**

The Remuneration to Non-Executive/ Independent Directors shall broadly be categorized in two parts as below:

- 1. Sitting fee:** The Non-executive/ Independent directors may receive sitting fee for attending board meetings and meetings of the committees, in accordance with the Companies Act.
- 2. Other remuneration payable to independent directors:** Of the fees payable to the Company in the capacity of Investment Manager to India Grid Trust (IndiGrid) (being 1.75% of the difference between revenue from operations and operating expenses (other than the fee of the Investment Manager) of each Portfolio Asset, per annum), an amount not exceeding 0.4% shall be payable to the independent directors of the Company ("Overall Limit"). The board of directors of the Investment Manager shall confirm to the Trustee that the independent directors being considered for performance remuneration have complied with the following:
  - a.** The attendance of a particular independent director is not less than 75% or as specified in the relevant independent director's appointment letter. If an independent director has not received the specified attendance, he/ she shall not be entitled to any performance remuneration.
  - b.** The independent director(s) have complied with the code of conduct for independent directors as provided under Schedule IV of the Companies Act, 2013 ("Code of Conduct"), Any independent director in breach of the Code of Conduct shall not be entitled to any Performance Remuneration.
  - c.** Quality of contributions to the Board deliberations.
  - d.** Strategic perspectives or inputs regarding future growth of Company, IndiGrid and its performance.
  - e.** Providing perspectives and feedback going beyond information provided by the management
  - f.** Commitment to shareholders and other Stakeholders interests.

Upon completion of the evaluation exercise, the board of directors, on recommendation of Nomination & Remuneration Committee, shall approve the performance remuneration payable to each independent director through a unanimous resolution including the amount payable to each independent director within the overall limit approved by the Unitholders of IndiGrid. The remuneration payable to the independent directors will be within the overall limit of the fee payable to the Investment Manager.

## **8. Remuneration to Other Employees**

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration is determined within the appropriate grade and is based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs as per the compensation policy of the Company.

#### **9. Frequency of meetings**

The NRC shall meet at least once a year and has the authority to convene additional meetings, as may be required. Meetings are convened by written notice to each of the members of the NRC and all members of the NRC are expected to attend each meeting. The NRC may invite other members of the management, consultants or other external experts, if required. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote. The NRC is empowered to convene its meeting(s) through video conferencing. The presence of members through Video Conferencing shall be counted for a valid quorum. Such meetings shall be convened and held in compliance of the guidelines issued by Ministry of Corporate Affairs for convening the meetings through video conferencing.

The quorum for an NRC meeting shall be either two members or one third of the members of the NRC, whichever is greater, including at least one independent director in attendance. A duly convened meeting of the NRC at which the requisite quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the NRC. The NRC will report on its meetings to the Board.

The Company Secretary shall act as the Secretary of the Committee and shall finalize the agenda, in consultation with the Chairman of the NRC. The agenda and information concerning the business to be conducted at each meeting, shall be, as far as practical, communicated to the members at least a week in advance of each meeting to facilitate a meaningful overview.

#### **10. Committee members interest**

A member of the Committee is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/her performance is being evaluated

#### **11. Minutes of Committee Meeting**

The Proceedings of all the NRC meetings must be minuted and signed by the Chairman of the Committee. The minutes of the Committee meetings shall be tabled at the subsequent Board and Committee meetings.

#### **12. Amendments to the Nomination & Remuneration Policy**

The Board on its own and/or as per the recommendations of Nomination & Remuneration Committee can amend this policy as deemed fit from time to time.

In the event of any conflict between the provisions of this Policy and of the Act or SEBI Regulations or any other statutory enactments, rules, the provisions of such Act or SEBI

Regulations or statutory enactments, rules shall prevail over and automatically be applicable to this Policy and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.

Adopted by the Board of Directors of IndiGrid on \_\_\_\_\_