

NOMINATION & REMUNERATION POLICY

OF

JHARKHAND ROAD PROJECTS IMPLEMENTATION COMPANY LIMITED

Policy:	Nomination & Remuneration Policy
Company:	Jharkhand Road Projects Implementation Company Limited
Version approved by:	The Board of Directors of the Company
Effective Date:	February 12, 2025

Nomination & Remuneration Policy

1. Introduction

The Nomination & Remuneration Policy of Jharkhand Road Projects Implementation Company Limited (the “**Company**”), has been formulated under the applicable provisions of the Companies Act, 2013 (the “**Act**”) and Rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter referred to as “applicable laws”) as amended from time to time. The Nomination & Remuneration Committee and Board of Directors may review/recommend this Policy from time to time.

2. Definitions

- a. “Act” means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.
- b. “Applicable Laws” means applicable provisions of the Act and the SEBI Regulations
- c. ‘Board’ means Board of Directors of the Company.
- d. “Company” means Jharkhand Road Projects Implementation Company Limited
- e. ‘Directors’ means directors of the Company.
- f. ‘Committee’ means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and Rules thereon.
- g. ‘Independent Director’ means a Director referred to in Section 149(6) of the Companies Act, 2013 and Rules.
- h. ‘Key Managerial Personnel (KMP)’ means-
 - (i) the Managing Director or Chief Executive Officer or manager
 - (ii) Whole-time Director,
 - (iii) the Company Secretary;
 - (iv) the Chief Financial Officer; and
 - (v) Any other person as may be defined under the Act from time to time.
- i. “Senior Management” shall mean the officers and personnel of the the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called, and the persons identified and designated as key managerial personnel, other than the board of directors, by the Company.
- 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 (43 of 1961).

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act as may be amended from time to time shall have the meaning respectively assigned to them therein.

3. Constitution of the Nomination and Remuneration Committee

The Board has constituted the “Nomination and Remuneration Committee” of the Board in accordance with the provisions of Section 178 of the Act and other applicable regulations.

This Policy and the Nomination and Remuneration Committee Charter are integral to the functioning of the Nomination and Remuneration Committee and are to be read together. The Board has authority to reconstitute this Committee from time to time.

This Policy shall be reviewed by Nomination and Remuneration Committee and may be amended, modified, or supplemented, from time to time, to ensure compliance with any amendment, modification, or supplementation to the Companies Act, 2013 and Rules made there under, or any other law and any regulatory provisions applicable to the Company and/or its business relating to employee/directors’ compensation, issued from time to time. Any such amendment shall be recommended by the Nomination and Remuneration Committee (NRC) and approved by the Board of Directors.

The Chairperson of the Committee 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.

4. Objective and Purpose

The objectives and purpose of this Policy are:

- 4.1 To ensure that relationship of remuneration to performance is clear and meets organization’s performance goals while creating shareholder value;
- 4.2 It shall determine the criteria by which the Committee can identify persons who are qualified to become Directors and KMPs in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its Committees and individual Directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- 4.3 The Committee shall formulate the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a Director in accordance with the Policy; and
- 4.4 While formulating the Policy, the Committee to ensure that —
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

5. **Nomination & Remuneration Committee Charter:**

The following matters shall be dealt with by the Committee: -

- (i) It shall periodically review the size and composition of the Board to have an appropriate mix of Executive, Non-Executive, and Independent Directors, if applicable, to maintain its independence and separate its functions of governance and management and to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company;
- (ii) Basis the criteria determined by the Committee on the qualifications, positive attributes and independence of a Director, to review and recommend the candidates to be appointed as a Director, having regard to qualifications, integrity, expertise and experience for the position. (refer **Annexure I**)
- (iii) To formulate the performance criteria and framework for evaluation of performance of every Director on the Board or engage with a third-party facilitator to do so.
- (iv) The Committee shall review and recommend to the Board, the remuneration payable to Directors/KMP subject to the approval of Shareholders, if necessary.

6. **Remuneration to Directors, Senior Management Personnel and Other Employees**

i. **Remuneration to Executive Directors**

- a. The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Executive Directors of the Company, if any within the overall limits as specified under the Act and/or subject to approval of the shareholders, if applicable
- b. The Executive Director (other than promoters) shall also be eligible for the grant of stock options, under the applicable Employee Stock Option Scheme of the Company, as may be decided by the Nomination and Remuneration Committee from time to time.

ii. **Remuneration to Non-Executive Directors**

- a. Independent Directors ("ID") and Non-Independent Non-Executive Directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) or commission, within regulatory limits.
- b. Quantum of sitting fees may be subject to review on a periodic basis, as required. Within the parameters prescribed by law, the payment of sitting fees and commission will be

recommended by the Nomination and Remuneration Committee and approved by the Board.

- c. The board of directors shall recommend all fees or compensation, if any, paid to Non-Executive Directors, including independent directors and shall require approval of shareholders in general meeting except for the payment of sitting fees to non-executive directors, if made within the limits prescribed under the Companies Act, 2013 for the same, without approval of the Central Government
- d. In addition to the sitting fees and commission, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his/her role as a Director of the Company. This could include reasonable expenditure incurred by the Director for attending Board/Board committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the Company for Directors) and in obtaining professional advice from Independent advisors in furtherance of his/her duties as a Director.
- e. The Promoter Directors and the Independent Directors will not be entitled for grant of Stock Options.

iii. Remuneration to the Key Managerial Personnel and Senior Management Personnel

- a. The remuneration of KMP and other employees largely consists of basic salary, perquisites, allowances and performance incentives (wherever paid). Remuneration is paid according to the Company policy. The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience / merits, performance of each employee.
- b. The Key Managerial Personnel, Senior Management Personnel and other employees of the Company (not being a Director) shall also be eligible for grant of stock options, wherever deemed fit, under the applicable Employee Stock Option Scheme of the Company, as may be decided by the NRC from time to time.
- c. The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.
- d. The remuneration may consist of fixed and incentive pay/retention bonus reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- e. The aforesaid Key Managerial Personnel, Senior Management Personnel and Other Employees may also be provided any facility, perquisites, commission, accommodation, interest free loans or loans at concessional rate in accordance with the policies framed for them or any category thereof.
- f. However, loan to the Directors who are KMPs shall be governed by such approvals as may be required by the Companies Act, 2013.

iv. 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 shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs which shall be finalized by the Human Resource Department in consultation with the Head of the Department of respective fields/departments.

v. Directors and Officers Liability Insurance Policy

All directors and officers (including Key Managerial Personnel and Senior Management Personnel) of the Company would be covered by the requisite Directors and Officers Liability Insurance Policy of the IL&FS Transportation Networks Ltd. (“ITNL”) Group.

7. Board Diversity:

The Company recognizes and embraces the benefits of having a diverse Board of Directors and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage in the complex business that it operates. We recognise that a Board composed of appropriately qualified people with broad range of experience relevant to the business of the Company is important to achieve effective corporate governance and sustained commercial success of the Company. All Board appointments are made on merit, in the context of the skills, experience, independence, knowledge and integrity which the Board as a whole requires to function effectively.

8. Disclosures:

- The Company shall disclose in the Board’s report, the ratio of the remuneration of each Director to the median employee’s remuneration and such other details as may be prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. (Section 197(12) of the Act).
- Nomination and Remuneration Policy shall be placed on the website of the Company and the salient features of the policy and changes therein, if any, along with the web address of the policy shall be disclosed in the Board's Report. (proviso to Section 178(4) of the Act) Link at itnlindia.com/Jharkhand-Road-Projects-Implementation-Company-Limited.aspx.

9. Conflict in the Policy

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down or mentioned under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

10. Review and amendment

The Board of Directors on its own and / or as per the recommendations of the Nomination and Remuneration Committee can amend this Policy, as and when deemed fit. The Company Secretary is also authorized to make an amendment in this policy, where there is any statutory changes necessitating the amendment in the policy.

If any of the provisions of this Policy, are inconsistent with the applicable laws, then the provisions of applicable laws shall prevail over the Policy to that extent and the Policy shall be deemed to have been amended so as to be read in consonance with applicable laws.

Annexure I

Selection Criteria for Directors

The following Selection Criteria are proposed for hiring a Member of the Board / Director

(1) **Experience / Know how:**

The candidate must meet at least one of the below mentioned criteria:

- (i) Must have served as a Senior Managerial Personnel in a related organization.
- (ii) Could be an independent specialist who can bring a different dimension to the Board due to the area of work or expertise (Legal, Technical, Financial, etc.)
- (iii) In case of Independent Directors, apart from the above, should also satisfy the criteria specified in the Code for Independent Directors.

(2) **Behavioral Competencies:**

- (i) Results and Achievement Orientation
- (ii) Strategic Orientation
- (iii) Ability to Influence and Inspire
- (iv) Effective Decision Making
- (v) Integrity (“Fit & Proper”)

(3) **Additional Criteria for Independent Directors**

- a. The Committee shall assess the independence of Directors at the time of appointment/re-appointment and the Board shall assess the same annually.
- b. While evaluating a person for appointment / re-appointment as an Independent Director, the Committee shall ensure that the proposed candidate satisfies the following additional criteria:
 - Meet the baseline definition and criteria of “independence” as set out in section 149 of the Act, the Listing Regulations and other applicable laws.
 - Should not hold any board / employment position with a competitor in the geographies where the Company is operating. However, the Board may in special circumstances waive this requirement.
 - Has attained a minimum age of 25 years and is not older than 70 years.
 - Does not hold independent directorship in more than seven listed entities.
 - Does not hold directorship in more than three listed entities if serving as a whole time director in any listed entity.

NOTE- *In the matter of Infrastructure Leasing and Financial Services Limited (IL&FS) MA 1054/2019 in the Company Petition No. 3638/2018, the Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated April 26, 2019 has granted dispensation regarding the appointment of Independent and Women Directors pursuant to Section 149 of the Companies Act, 2013. In view thereof, the Company has not appointed Independent and Woman Directors.*