

NOMINATION & REMUNERATION POLICY

OF

JORABAT SHILLONG EXPRESSWAY LIMITED

Policy effective from April 01, 2023 Approved
by the Board of Directors on May 24, 2023

Nomination & Remuneration Policy

1. Introduction

The Nomination & Remuneration Policy (“Policy”) of **Jorabat Shillong Expressway Limited** (the “Company”), has been formulated under the applicable provisions of the Companies Act, 2013, as amended from time to time, read together with the rules notified thereunder (the “Act”). The Nomination & Remuneration Committee and/or Board of Directors may review/amend this Policy from time to time.

2. Definitions

- a. ‘Board’ means the board of directors of the Company.
- b. ‘Director’ means a director of the Company, and ‘Directors’ shall be construed accordingly.
- c. ‘Committee’ means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act.
- d. ‘Independent Director’ means a Director referred to in Section 149(6) of the Act.
- e. ‘Key Managerial Personnel (KMP)’ means-
 - (i) the managing director or chief executive officer or manager, and in their absence, a whole-time director,
 - (ii) the Company Secretary;
 - (iii) the Chief Financial Officer; and
 - (iv) Any other person as may be prescribed under the Act from time to time.
- f. ‘Senior Management’ means officers/personnel of the Company who are members of its core management team, excluding the Board, comprising all members of the management one level below the executive Directors, including the functional heads.

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 on April 20, 2022 in accordance with the provisions of the Act.

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 the Committee from time to time.

This Policy shall be reviewed by the Nomination and Remuneration Committee from time to time, including in the event of a change in applicable law. Any changes or modification to the Policy as recommended by the Committee would be placed before the Board of Directors for their approval. Notwithstanding the above, this Policy will stand amended to the extent of any change in applicable law, including any amendment to the Act, without the requirement of any further action from the Committee or the Board of Directors.

4. Objective and Purpose

The objectives and purpose of this Policy are:

- 4.1 To outline the criteria by which the Committee can identify persons who are qualified to become Directors, KMPs and members of the senior management, and recommend to the Board their appointment and/or removal;
- 4.2 To 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; and
- 4.3 To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director in accordance with the Policy.

In accordance with the Act, while formulating the Policy, the Committee is required 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, KMPs 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 and independent Directors 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, review and recommend the candidates to be appointed

as 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, subject to the approval of Shareholders, if necessary, the following:-
 - a. The remuneration payable to Directors including commission payable to the Directors;
 - b. the remuneration policies for KMP and Senior Management including base pay, incentive payments, equity awards, retirement rights, severance pay, if any, and service contracts having regard the need to:
 - (i) attract and motivate talent to pursue the Company's long term growth;
 - (ii) demonstrate a clear relationship between compensation and performance; and
 - (iii) balance between fixed and incentive pay reflecting short and long-term performance objectives as appropriate for the Company and its goals;
 - c. need for any insurance to be obtained by the Company on behalf of its Directors, KMP and Senior Management for indemnifying them against any liability; provided that the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel; provided further, that, if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration; and
 - d. the compensation for other employees as per the compensation policy of the Company, as revised through the annual compensation review process from time to time, which is reviewed and recommended by the Chief Executive Officer, in consultation with the Head- HR.

6. 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 shall be made on merit, in the context of the skills, experience, independence, knowledge and integrity which the Board as a whole requires to function effectively. Further, the sitting fees for Independent Directors and Women Directors shall not be less than the sitting fee payable to other Directors.

Annexure I

Selection Criteria for Directors

I The following are the Selection Criteria's for hiring of 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.)

In case of Independent Directors, apart from the above, should also satisfy the criteria specified under the Act and 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; and
- (v) Integrity (“Fit & Proper” criteria in terms of Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008).