

NOMINATION & REMUNERATION POLICY

OF

HAZARIBAGH RANCHI EXPRESSWAY LIMITED

Version no. – 01

Policy effective from -----

Approved by the Board of Directors on -----

Nomination & Remuneration Policy

1. Introduction

The Nomination & Remuneration Policy of **Hazaribagh Ranchi Expressway Limited** (the “Company”), has been formulated under the applicable provisions of the Companies Act, 2013 (the “Act”) and Rules framed thereunder and as amended from time to time. The Nomination & Remuneration Committee and/or Board of Directors may review/amend this Policy from time to time.

2. Definitions

- a. ‘Board’ means Board of Directors of the Company.
- b. ‘Directors’ means directors of the Company.
- c. ‘Committee’ means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and Rules thereon.
- d. ‘Independent Director’ means a Director referred to in Section 149(6) of the Companies Act, 2013 and Rules.
- e. ‘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.
- f. Senior Management means officers/personnel of the Company who are one level below the Board.

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 21st January 2015 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 this Committee from time to time.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the Policy due to change in Act/Rules or as may be felt

appropriate by the Committee. Any changes or modification to the Policy as recommended by the Committee would be placed before the Board of Directors for their approval.

4. Objective and Purpose

The objectives and purpose of this Policy are:

- 4.1 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.
- 4.2 The Committee shall formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director in accordance with the Policy; and
- 4.3 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 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, 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 the remuneration payable to Directors/KMP subject to the approval of Shareholders if necessary.

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 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.

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”)