

**NOMINATION, REMUNERATION & PERFORMANCE
EVALUATION POLICY**

OF

IJM (INDIA) INFRASTRUCTURE LIMITED

Preamble

This policy is designed to achieve the long-term sustainable performance and to attract and motivate the best people who are committed to maintain a long-term career with the Company and aligning their performance and interest to the long-term interests of the Company.

In achieving this, the Company always believed that effective governance of its remuneration practices is a key driver. The guiding principle has always been that the remuneration and the other terms of employment shall be competitive in order to ensure that the Company can attract and retain competent people.

Purpose

This Policy on appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management (referred as the "Policy") has been formulated in accordance with the provisions of Section 178 of the Companies Act, 2013 (the "Act").

Definitions

Some of the key terms used in the policy are as under:

Board means Board of Directors of IJM (INDIA) INFRASTRUCTURE LIMITED

Director means a director appointed on the Board of the Company including executive, non-executive and independent directors.

Independent Director means a director referred to in Section 149(6) of the Act, as amended from time to time.

Key Managerial Personnel (the "KMP") shall mean

- i) Managing Director or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Company Secretary; and
- iii) Chief Financial Officer;

Nomination and Remuneration Committee, by whatever name called, shall mean a Committee of Board of Directors of the Company constituted in accordance with the provisions of Section 178 of the Act.

Senior Management means personnel of the Company who are members of its core Management team excluding Board of Directors. This would include all members of Management one level below the Executive Directors, including all functional heads.

Objectives of the Policy

The objectives of this policy are as detailed below:

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the best talent required to run the Company successfully.
- To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To ensure that the 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.
- To evaluate the performance of the members of the Board.

Constitution of Nomination and Remuneration and Nomination Committee

A nomination and remuneration committee of the Board has been constituted in line with the requirements of Companies Act, 2013.

Appointment and Removal of Director, Key Managerial Personnel (KMP) and Senior Management

1. Criteria for appointment

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director and recommend to the Board his/her appointment. For the appointment of KMP (other than Managing/Whole-time Director) or Senior Management, a person should possess requisite qualification, expertise and experience for the position he /she is considered for the appointment.

A person to be appointed as Director should possess impeccable integrity, expertise and insight in the area of business operations of the Company.

2. Term

The Term of office of the Managing/Whole-time Directors shall be for a term not exceeding five years.

The term of office of an Independent Director shall be for a term of up to five consecutive years and will be eligible for re-appointment for another term of five consecutive years on passing of special resolution by the Company.

The term of the KMP (other than the Managing/Whole-time Director) and Senior Management shall be governed by the prevailing HR policy of the Company.

3. Removal

Consequent upon attracting of any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder and/or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policy, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

4. Evaluation

The Committee shall carry out evaluation of performance of every Director. The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the evaluation process.

5. Retirement

The Directors, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing HR policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Remuneration payable to Directors/ KMP and Senior Management

1. Remuneration of Managing/ Whole-time Director, KMP and Senior Management personnel

The remuneration/compensation/commission, etc., to the Managing/Whole-time Director will be determined by the Committee and recommended to the Board for approval and shall be in accordance with the provisions of Companies Act, 2013 and

rules made thereunder and subject to the approval of the shareholders of the Company.

Further, the remuneration of KMP (other than Managing/Whole-time Director) and Senior Management shall be decided by the Committee based on the standard market practices and prevailing HR policy of the Company.

2. Remuneration to Non-executive /Independent Director

The remuneration/commission/sitting fees, as the case may be, to the Non-Executive /Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee/Board /shareholders.

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act as amended from time to time.

Criteria for determining Qualifications, Positive attributes and Independence of a Director

1. Qualifications of Independent Director

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related to the Company's business.

2. Positive attributes of Independent Directors

An independent director shall:

- i. exercise his responsibilities in a *bona fide* manner in the interest of the company;
- ii. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- iii. uphold ethical standards of integrity and probity;
- iv. act objectively and constructively while exercising his duties;
- v. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- vi. not abuse his position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- vii. refrain from any action that would lead to loss of his independence;
- viii. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;

- ix. assist the company in implementing the best governance practices.

3. Independence of Directors

An Independent director should satisfy the requirements of the Companies Act, 2013 with respect to independence of directors.

FRAMEWORK FOR PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS AND THE BOARD IS AS DETAILED BELOW:

The Board needs to make timely strategic decisions, to ensure operations are in line with strategy; to ensure the integrity of financial information and the robustness of financial and other controls; to oversee the management of risk and review the effectiveness of risk management processes and to ensure that the right people are in place.

Non-executive directors are expected to provide an effective monitoring role and to provide help and advice as a sounding Board for the Executive directors. All this is in the long term interests of the company and should be based on the optimum level of information, through smooth processes, by people with the right skills mix and in a constructive manner.

Section 178 of the Companies Act, 2013, requires that the Nomination and Remuneration Committee (the "Committee") shall lay down the evaluation criteria for performance evaluation of every Directors performance.

Further, Schedule IV of the Companies Act, 2013 requires that the performance evaluation of all the independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. Further, Independent Directors are required to evaluate the performance of non - independent directors and the Board as a whole.

Some of the broad issues that may be considered in a performance evaluation:

- Setting up of Performance objectives and performance against them
- Board's contribution to the growth of the Company
- Board's contribution to ensuring effective risk management
- Whether composition of the Board and its committees is appropriate with the right mix of knowledge and skills sufficient to maximise performance in the light of future strategy
- Relationship between the Board and its main committees
- Board's ability to respond to crises
- Board communication with the management team
- Whether the Board is abreast with latest developments in the regulatory environment and the market
- Flow of quality information to the Board

- Whether sufficient board and committee meetings, of appropriate length, being held to enable proper discussion of issues
- Whether Board procedures are conducive to effective performance and flexible enough to deal with all eventualities

Performance evaluation of Independent Directors

Performance evaluation is a key means by which Board can recognise and correct corporate governance problems and add real value to the organisation. Board evaluation is a significant way for Board to show that they are serious about their performance.

Some of the criterion that should be considered in the performance evaluation of an Independent Director, (the exercise in which the concerned director being evaluated shall not be included) are set out below:

1. Demonstrates willingness to devote time and effort to understand the Company and its business model
2. Demonstrates knowledge of the sector in which the company operates
3. Quality and value of their contributions at Board meetings
4. Contribution to development of strategy
5. Effective and proactive follow up on their areas of concern
6. Exhibits understanding of policies of the Company
7. Relationships with fellow Board members, the Company Secretary and senior management
8. Level of preparation for the Board Meetings
9. Level of attendance and participation in the Board and Committee Meetings
10. Has no litigation pending against him and has not abused his position for gaining any personal benefit either for himself or any related person

Performance evaluation of Non-Independent Directors

Some of the criterion that should be considered in the performance evaluation of a Non-Independent Director is set out below:

1. Knowledge of industry issues and exhibition of diligence in leading the organization

2. Level of attendance at the Board and Committee meetings where he is a member
3. Effectiveness in working with the Board of directors to achieve the desired results
4. Providing direction and support to the Board regarding its fiduciary obligations and governance role
5. Provides well-balanced information and clear recommendations to the Board as it establishes new policies
6. Demonstrates excellence in carrying out job responsibilities and accomplishing goals
7. Engages in learning and growth activities to improve job performance
8. Has no litigation pending against him and has not abused his position for gaining any personal benefit either for himself or any related person