

**NOMINATION & REMUNERATION POLICY**

**OF**

**ROAD INFRASTRUCTURE DEVELOPMENT COMPANY  
OF RAJASTHAN LIMITED**

*Version no. – 02*

*Policy effective from August 31, 2023*

## **Nomination & Remuneration Policy**

### 1. Introduction

The Nomination & Remuneration Policy of **Road Infrastructure Development Company of Rajasthan Limited** (the “Company”), has been formulated 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.
- 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 November 29, 2021.

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 who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- 4.2 The Committee shall formulate the criteria for determining qualifications, competencies, positive attributes 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) Basis the criteria determined by the Committee on the qualifications, positive attributes 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**)
- (ii) The Committee shall review and recommend to the Board on the remuneration payable to Directors/KMP/Senior Management/ other Employees subject to the approval of Shareholders if necessary: -
  - a. The remuneration payable to Directors including Sitting fees/commission payable to the Directors for their participation at the Board and Committees thereof including any revisions thereof;
  - 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;
  - (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, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.
- d. the compensation for other employees would be 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 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**

#### **I 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”)