



Reliance Infrastructure Limited

**Policy on Appointment and Remuneration of Directors, Key
Managerial Personnel and Senior Management**

Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Senior Management

1. Introduction:

This Policy is formulated under the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations") and other applicable laws (hereinafter referred to as "Relevant laws") by the Nomination and Remuneration Committee of Reliance Infrastructure Limited.

2. Objective and Purpose:

The objectives and purpose of this Policy are:

- 2.1. To formulate the criteria for determining qualifications, positive attributes and independence for appointment of a director of the Company;
- 2.2. To recommend policy relating to the remuneration of the Directors, KMP and Senior Management to the Board of Directors of the Company ("Board").

3. Scope and Coverage

This policy covers Directors, Key Managerial Personnel (KMPs) and the members of the Senior Management of the Company.

4. Policy

4.1. Executive Director

The Executive Director shall be appointed by the Board of the Company upon recommendation of the Nomination and Remuneration Committee.

The remuneration of the Executive Director shall be as approved by the Board and shall be subject to the approval of the members of the Company at a General Meeting.

4.2. Non-Executive Directors:

The Non executive directors shall be paid sitting fees for attending the meetings of the Board and of the Committees of which they may be Members, and commission, if any, within regulatory limits approved by the shareholders. The commission for respective financial year has to be recommended by the Nomination and Remuneration Committee and approved by the Board.

4.3. Independent Directors:

For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director.

The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.

For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
- b. consider candidates from a wide range of backgrounds, having due regard to diversity in terms of the Board Diversity Policy of the Company
- c. consider the time commitments of the candidates.

4.4. Key Managerial Personnel and Senior Management

The Key Managerial Personnel and Senior Management Personnel would be appointed by the Board as recommended by the Nomination and Remuneration Committee.

Their Remuneration would be subject recommendation by the Nomination and Remuneration Committee and would be determined based on the remuneration criteria as mentioned in this policy.

4.5. Remuneration Criteria for Executive Director, KMPs and Senior Management:

4.5.1. Remuneration, i.e. Cost-to-Company (CTC) consists of two broad components; Fixed and Variable.

4.5.2. Fixed portion comprises Base pay and Choice pay components.

4.5.3. Base Pay includes Basic Pay and Contribution towards Retiral Benefits.

4.5.4. Choice Pay includes basket of allowances, which executive has the flexibility to choose from, based on his individual needs and tax planning.

4.5.5. Variable pay termed as Performance Linked Incentive (PLI) comprises a pre-determined amount, the payout of which is based on the composite score achieved by the Individual and business during the relevant performance year.

4.5.6. Annual Increment is linked to individual performance ratings and is also guided by business performance, macro-economic indicators, industry /business outlook, etc.

4.5.7. Individual and Business performance is assessed through a robust annual performance appraisal process, the key features of which are as follows:

- Formulation of well articulated Businesswise AOP
- Setting of Individual KRAs and KPIs in alignment with Business AOP
- Online process for goal setting, self evaluation and assessment by managers
- Normalisation of individual ratings as per prescribed norms
- Business Performance evaluation with higher emphasis on achievement against key financial and project completion parameters.

5. Modification/Amendment:

The Policy shall be reviewed by the Nomination & Remuneration Committee and the Board annually and shall be amended / modified as and when deemed appropriate.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or the Listing Regulations or any other applicable law which makes any of the provisions in this Policy inconsistent with the Companies Act, 2013 or the Listing Regulations or such applicable law, then the provisions of the Companies Act, 2013 or the Listing Regulations or such applicable law would prevail over the Policy and the provisions in this Policy would be modified in due course to make it consistent with such change.