

NOMINATION AND REMUNERATION POLICY

INTRODUCTION

The Nomination & Remuneration Policy ("**Policy**") of Varanasi Sangam Expressway Private Limited ("**Company**") is being formulated in terms of the provisions of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

This Policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel has been formulated by the Nomination and Remuneration Committee (NR Committee) and has been approved by the Board of Directors of the Company.

1. DEFINITION

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"Remuneration" means any money or its equivalent paid or passed on to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

"Key Managerial Personnel" means:

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii. Chief Financial Officer;
- iii. Company Secretary;
- iv. Such other officers as may be prescribed.

"Senior Managerial Personnel" means the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this category of personnel would comprise of all members of the management, of rank equivalent to General Manager and above, including all functional heads.

2. OBJECTIVE:

The objective of the policy is as under:

- i. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director (executive/non-executive/independent) of the Company ("Director"); and
- ii. To recommend policy relating to the remuneration of the Directors, KMP and Senior Management Personnel to the Board of Directors of the Company ("Board").

This includes reviewing and approving corporate goals and objectives relevant to the compensation of the Executive Directors, evaluating their performance in light of those goals and objectives and either as a committee or together with the other independent Directors (as directed by the Board), determine and approve Executive Directors' compensation based on such evaluation; making recommendations to the Board with respect to KMPs and Senior Management Personnel compensation and recommending incentive- compensation and equity-based plans to the Board.

3. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management Personnel and make recommendations to the Board about his / her appointment.

- ii. A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- iii. The Company shall not appoint or continue to have any person as Whole-time Director who has attained the age of seventy years and shall not appoint or continue any person as Independent Director who has attained the age of seventy five years, provided that the term of the person holding such position may be extended beyond the age of seventy years/ seventy five years with the approval of shareholders by passing a special resolution.

TERM/TENURE

a) Executive Chairman/ Managing Director/ Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman or Managing Director or Whole-time Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years and will be eligible for re-appointment upon passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of maximum 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves, is restricted to the maximum number prescribed in the applicable regulations in force.

REMOVAL

Due to reasons for any disqualification mentioned in the Act, rules and regulations made thereunder, or under any other applicable law, or for any other compelling reasons, the Committee may recommend with reasons to be recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to compliance of the provisions the Act, rules and regulations and the Policy of the Company.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing 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.

4. POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

i. Remuneration to Managing Director / Whole-time Directors:

The remuneration/ commission, etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Act and rules made there under or any other enactment for the time being in force and within the overall limits approved by the shareholders of the Company.

ii. Remuneration to Non- Executive/ Independent Directors:

Overall remuneration should be reflective of the size of the Company, complexity of the sector/ industry/ Company's operations and the Company's capacity to pay the remuneration.

Independent Directors ("ID") and Non-Independent Non-Executive Directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members). Quantum of sitting fees may be subject to review on a periodic basis, as required.

Overall remuneration (sitting fees) practices should be consistent with the recognised best practices.

In addition to the sitting fees, the Company may pay / reimburse to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his / her role as a Director of the Company.

iii. Remuneration to Key Managerial Personnel and Senior Management:

The remuneration to Key Managerial Personnel and Senior Management Personnel shall consist of fixed pay and incentive pay, in compliance with the provisions of the Act and in accordance with the Company's Policy.

The fixed pay shall include monthly remuneration, employer's contribution to provident fund, contribution to pension fund, pension schemes, etc. as decided from time to time.

The compensation for KMP and Senior Management Personnel would be as per the compensation policy of the Company, as revised through the annual compensation review process from time to time and approved by the whole-time directors, after consultation with the Head- HR.

IMPLEMENTATION

The NR Committee is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

REVIEW OF THE POLICY

This Policy will be reviewed and reassessed by the NR Committee as and when required due to change in regulations 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.