

Nomination and Remuneration Policy of Jhajharia Nirman Limited

Approved by the Board on the recommendation of the Nomination and Remuneration Committee on 28 October 2026.

1. Purpose

This Policy sets out how Jhajharia Nirman Limited ("the Company") chooses its directors, Key Managerial Personnel and senior management, how it evaluates their performance, and how it pays them and its other employees. It is made under Section 178 of the Companies Act, 2013 ("the Act").

2. Definitions

- **Key Managerial Personnel (KMP)** has the meaning in Section 2(51) of the Act: the Managing Director, Whole-time Directors, Chief Financial Officer and Company Secretary, and any other officer designated as KMP by the Board.
- **Senior management** means employees one level below the Board who are members of the core management team, including the heads of functions.

3. Nomination and Remuneration Committee

- 3.1 The Committee consists of three or more non-executive directors, at least half of whom are Independent Directors. The Chairperson of the Company may be a member but will not chair the Committee.
- 3.2 The Committee will:
- identify people qualified to become directors or join senior management, and recommend their appointment and removal to the Board;
 - specify how the performance of the Board, its committees and individual directors is to be evaluated, and review its implementation;
 - formulate criteria for qualifications, positive attributes and independence of directors; and
 - recommend to the Board the remuneration of directors, KMP and senior management.

4. Appointment of directors

- 4.1 The Committee will consider a candidate's qualifications, experience in infrastructure, engineering, finance, law, governance or other relevant fields, integrity, and ability to devote enough time to the Company.
- 4.2 **Positive attributes:** high ethical standards, independent judgement, sound business sense, commitment to the Company's values, and willingness to engage constructively.

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- 4.3 **Independence:** an Independent Director must meet the criteria in Section 149(6) and Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014, and must be registered in the Independent Directors' Databank.
- 4.4 No person will be appointed who is disqualified under Section 164, or who would exceed the limits on directorships under Section 165.

5. Appointment of KMP and senior management

KMP and senior management will be chosen on the basis of qualifications, experience, track record, integrity and fit with the Company's needs. The appointment of KMP will be approved by the Board under Section 203.

6. Evaluation

- 6.1 Every year the Board will evaluate its own performance, that of its committees and of each director, on criteria recommended by the Committee, such as preparation for and attendance at meetings, contribution to strategy, oversight of risk, and governance.
- 6.2 Independent Directors will be evaluated by the entire Board, excluding the director being evaluated. The Independent Directors will separately review the non-independent directors, the Board as a whole and the Chairperson.

7. Remuneration principles

In line with Section 178(4), remuneration will:

- be at a level and in a form reasonable and sufficient to attract, retain and motivate directors and employees of the quality needed to run the Company successfully;
- have a clear link to performance, measured against appropriate benchmarks; and
- for directors, KMP and senior management, balance fixed pay with performance-linked pay, reflecting short-term and long-term goals.

8. Remuneration of directors

- 8.1 **Managing Director and Whole-time Directors:** remuneration (salary, allowances, perquisites, commission and retirement benefits) will be recommended by the Committee, approved by the Board and the members, and paid within the limits of Section 197 and Schedule V.
- 8.2 **Non-executive and Independent Directors:** sitting fees for Board and committee meetings within the limit of ₹1 lakh per meeting, reimbursement of expenses, and any profit-related commission approved by the members within the limits of Section 197. Independent Directors are not entitled to stock options.



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9. Remuneration of KMP, senior management and other employees

- 9.1 Remuneration of KMP (other than directors) and senior management will be recommended by the Committee and approved by the Board.
- 9.2 Remuneration of other employees will be set by management in line with this Policy, the Company's grade structure, market levels for the infrastructure sector, the employee's role and performance, and the Company's performance, and in compliance with the labour codes and other applicable laws.
- 9.3 Increments and performance pay will be based on annual appraisals.

10. Disclosure

This Policy will be published on the Company's website. Its salient features, and any changes to it, will be disclosed in the Board's Report, as required by Section 178(4).

11. Review

The Committee will review this Policy at least every two years and recommend any changes to the Board.



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