

IRB INFRASTRUCTURE TRUST

Eligibility Criteria for Unitholder Nominee Directors (in case of appointment of Director nominated by eligible Unitholders (“Unitholder Nominee Directors”)) in compliance with applicable provisions of SEBI InvIT Regulations and SEBI Circular dated September 11, 2023.

1. APPLICABILITY

- 1.1. Regulation 4(2)(h) of SEBI (Infrastructure Investment Trusts) Regulations, 2014 *inter-alia* provides that unitholder(s) holding not less than ten percent of the total outstanding units of the InvIT, either individually or collectively, shall be entitled to nominate one director on the board of directors of the Investment Manager, in the manner as may be specified by the SEBI.
- 1.2. The criteria for unitholder nominee directors should be read in conjunction with the framework specified by SEBI to exercise board nomination rights by the eligible unitholder(s) as amended from time to time.

2. DEFINITIONS

- 2.1 “Eligible Unitholder(s)” shall mean unitholder(s) holding ten percent or more of the total outstanding units of the InvIT, either individually or collectively, as reckoned based on the unitholding pattern of the InvIT as on 31 March of the previous financial year.
- 2.2 “Unitholder Nominee Director” shall mean a non-independent director nominated by Eligible Unitholder(s) on the Board of Directors of the Investment Manager.

3. NOTICE BY ELIGIBLE UNITHOLDERS

- 3.1. The Investment Manager will send a written intimation to all unitholders of the InvIT on their email address(es) registered either with the Investment Manager or with any depository, within 10 days of the end of each financial year, requesting them to inform the Investment Manager if any Eligible Unitholder(s) wish to exercise the right to nominate a Unitholder Nominee Director (“**Intimation**”).
- 3.2. The Eligible Unitholders will inform the Investment Manager in writing of their proposed candidate for Unitholder Nominee Director, along with such information as may be required by SEBI (“**Notice**”), in accordance with applicable law. The candidate will be evaluated based on criteria set out in para. 4 below.
- 3.3. After appointment of the Unitholder Nominee Director, if the Eligible Unitholders propose to change the Unitholder Nominee Director, they should intimate the Investment Manager of this through another Notice. The Investment Manager will evaluate the new candidate basis criteria set out in para. 4 below.

4. QUALIFICATIONS FOR APPOINTMENT

- 4.1 The following requirements should be fulfilled by the candidates proposed to be considered for appointment as Unitholder Nominee Directors which will result into transparent and well-defined

process for the selection and appointment of nominee directors and effectively contribute to the company's strategic objectives, while upholding their fiduciary duties. The Board of the Investment Manager will be responsible for conducting this evaluation and determining whether the candidate proposed as the Unitholder Nominee Directors meets all required criteria.

1. The person should be “fit and proper” based on the criteria specified under Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008, as amended.
2. The person is not a willful defaulter or fraudulent borrower, or a promoter or director or person in control of a company or entity categorized as such by any bank or financial institution in accordance with the guidelines prescribed by the Reserve Bank of India.
3. The person’s name does not appear under any list of disqualified directors issued by the Ministry of Corporate Affairs and is not debarred from acting as a director or member of management by any court, regulatory or supervisory authority.
4. The person is not debarred from accessing the capital markets by the SEBI or any other authority.
5. The person is not or has not been a promoter or director or person in control of any company or entity which has been debarred from accessing the capital markets by the SEBI or any other authority.
6. The person should qualify with the requirements mentioned under the Companies Act, 2013 and applicable provisions of SEBI InvIT Regulations and also to facilitate the Investment manager for filling of Form DIR-12 and other forms required under applicable law.
7. The nominee director should possess expertise and knowledge.
8. The nominee director should have a strong reputation for integrity and ethical behaviour. Any hint of impropriety can negatively impact the Trust and IM's image and credibility.
9. The nominee director should be aligned with the interests of the unitholders. This alignment ensures that the director will act in the best interests of the Unitholders and the objectives of the InvIT. While the nominee director would be appointed by particular Unitholder(s), they should still act in the best interests of all the Unitholders as a whole.
10. The nominee director should recognize the importance of board diversity, including gender, ethnicity, age, and background. The nominee director should contribute to a diverse and inclusive board that reflects a variety of perspectives.
11. Serving as a director is a significant responsibility towards its Stakeholders. The nominee director should be committed to fulfilling their duties and have the time and availability to actively participate in board meetings and related activities.
12. The nominee director should have a good working knowledge of the legal and regulatory framework within which the InvIT operates. This includes compliance with securities laws, corporate governance regulations, and other relevant laws and regulations.
13. Effective communication and interpersonal skills are essential for a nominee director. Should be able to work collaboratively with other board members, management, and other Stakeholders.
14. The nominee director should be focused on the sustainable growth and success of the InvIT.
15. The nominee director should recuse himself/herself from voting on any transaction where either such director, such director’s associates or the Eligible Unitholder(s) who nominated him / her or any associate of such Eligible Unitholder(s) is a party.

4.2 After evaluating the candidate basis the above criteria, the Board will confirm the eligibility of the candidate as Unitholder Nominee Director. Thereafter, in accordance with timelines as prescribed under applicable law, the Investment Manager will take all necessary steps to finalise the appointment of the Unitholder Nominee Director.

4.3 If the Board, after its evaluation, concludes that the candidate is not eligible or is not suitable to be a Director, the reasons for the same will be recorded in writing and communicated to the Eligible Unitholders within such timelines as prescribed under applicable law.

4.4 The Eligible Unitholder may then nominate another candidate in compliance with applicable law.

5. CONDITIONS FOR NOMINATION OF UNITHOLDER NOMINEE DIRECTOR:

5.1 The director nominated by the unitholder shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the non-independent directors of the IM including payment of remuneration, sitting fees and travelling expenses to such director or directors .

5.2 The Director so appointed shall not be liable to retire by rotation, subject to compliance with the Companies Act, 2013, and shall not be required to hold any qualification shares.

5.3 Unitholder Director Board Participation:

- a) The Board strength should comply with the limits prescribed under the Companies Act, 2013 and SEBI InvIT regulations and at least 50% (fifty percent) of the Board of the IM, or such other percentage as may be prescribed under applicable law, shall comprise independent Directors.
- b) The unitholders shall have a right to nominate 1 (one) non-independent nominee Director and as long as they are Eligible Unitholders.
- c) The timeline for appointment of Unitholder Nominee Directors is subject to compliance with applicable law.
- d) If the right to nominate one or more Directors on the Board of the Investment Manager is available to any entity (or to an associate of such entity) in the capacity of shareholder of the Investment Manager or lender to the Investment Manager or the Trust or its special purpose vehicles, then such entity in its capacity as unitholder, is not entitled to nominate or participate in the nomination of a Unitholder Nominee Director; and
- e) If the unitholding of more than one unitholder is aggregated for the purpose of qualifying as Eligible Unitholder(s) to exercise the right to nominate a Unitholder Nominee Director, then such unitholders shall not be eligible to participate in any other group of Eligible Unitholder(s).

6. VACATING OFFICE OF A UNITHOLDER NOMINEE DIRECTOR

6.1 Eligible Unitholders may at any time and from time to time remove from office any of their respective nominees to the Board and / or its committees and, if it deems fit, subject to compliance with applicable law. A Unitholder Nominee Director will be required to vacate office under the following circumstances:

- if at any time, the individual or collective unitholding of the Eligible Unitholder(s), who have nominated a Unitholder Nominee Director, falls below ten percent of the total outstanding units of the InvIT for any reason whatsoever, the Eligible Unitholder(s) are required to inform the IM within two working days from such change and the Unitholder Nominee Director is required to resign within two working days from such change;
- in case of death or permanent disability of a Unitholder Nominee Director.

6.2 The Unitholder Nominee Director shall not be eligible to remain on the board of the IM in case of any disqualification which *inter alia* includes the following:

- the nomination is withdrawn by Eligible Unitholder(s) or
- change in the Unitholder Nominee Director is requested by Eligible Unitholder(s) or
- the unitholding of Eligible Unitholder(s) falls below the required threshold consequent to which the Unitholder Nominee Director resign / step down from the Board of Directors of the Investment Manager or
- the Unitholder Nominee Director is unable to serve or resign or is removed from the Board of Directors of the Investment Manager for reasons to be recorded in writing or
- non-compliance with the eligibility criteria prescribed under this policy or the SEBI InvIT Regulations.

7. REVIEW OF THE POLICY

This Policy will be reviewed and reassessed by the Committee as and when required and appropriate recommendations shall be made by the Committee to update this Policy based on changes that may be brought about due to any regulatory amendments or otherwise.