

**POLICY ON QUALIFICATIONS AND CRITERIA FOR APPOINTMENT OF UNITHOLDER(S)
NOMINEE DIRECTORS ON THE BOARD OF LTIDPL INDVIT SERVICES LIMITED, INVESTMENT
MANAGER OF INDINFRAVIT TRUST**

1. PREAMBLE

- 1.1. In accordance with Regulation 4(2)(h) of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time, unitholder(s) holding not less than ten percent of the total outstanding units of IndInfraVIT Trust ("**Trust**") either individually or collectively, have been granted a right to appoint a unitholder nominee director on the Board of LTIDPL IndvIT Services Limited.
- 1.2. In furtherance to the above, the Securities and Exchange Board of India ("**SEBI**") vide its circular dated September 11, 2023 ('**InvIT Circular**') has prescribed for the manner of the nomination process which includes the process of nomination and eligibility criteria for the nominating unitholders as well as for the proposed appointee.
- 1.3. The Board of Directors of LTIDPL IndvIT Services Limited ("**Company**" or "**IM**") acting in its capacity of the investment manager to IndInfraVIT Trust ("**Trust**") is required to formulate and adopt a policy providing for qualifications and criteria for appointment, and evaluation parameters of individuals nominated for nominee director.

This policy ('**Policy**') shall act as guide or reference on some of the above-mentioned objectives.

2. DEFINITIONS

- a) "**Act**" means the Companies Act, 2013 and the rules framed thereunder, as amended from time to time.
- b) "**Board**" means the Board of Directors of the Company.
- c) "**Company**" or "**IM**" means LTIDPL IndvIT Services Limited.
- d) "**Eligible Unitholder(s)**" shall mean unitholder(s) holding ten percent or more of the total outstanding units of the Trust, either individually or collectively.
- e) "**InvIT Regulations**" means Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended.
- f) "**Committee**" or "**NRC**" shall mean the Nomination and Remuneration Committee of the Board of the Company.
- g) "**Remuneration**" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.
- h) "**Unitholder Nominee Director**" shall mean a non-independent director nominated by the Eligible Unitholder(s) on the Board of the IM as per the Policy.

Terms that have not been defined in the Policy shall have the same meaning assigned to them in the InvIT Circular, the InvIT Regulations, and/or any other applicable law as may be applicable for the time being in force and as and when it is amended from time to time.

3. APPLICABILITY

This Policy applies to the Eligible Unitholder(s) of the Trust and the Unitholder Nominee Directors of the Investment Manager.

4. QUALIFICATIONS AND ELIGIBILITY CRITERIA FOR THE UNITHOLDER NOMINEE DIRECTOR

Eligible Unitholder(s) shall have the right, but not the obligation, to nominate any person for appointment as Unitholder Nominee Director.

Eligible Unitholder(s) shall be entitled to nominate only one Unitholder Nominee Director. If the right to nominate one or more directors on the Board is available to any entity (or to an associate of such entity) in the capacity of (i) shareholder of the IM or (ii) lender to the IM or the Trust (or its Hold Co(s) or SPVs), then such entity in its capacity as unitholder, shall not be entitled to nominate or participate in the nomination of a Unitholder Nominee Director.

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).

The following eligibility requirements should be fulfilled by the candidates proposed to be considered for appointment as Unitholder Nominee Directors:

- i. The person should be “fit and proper” based on the criteria specified under Schedule II of the SEBI (Intermediaries) Regulations, 2008, as amended.
- ii. 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.
- iii. 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.
- iv. The person is not debarred from accessing the capital markets by the SEBI or any other authority.
- v. 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 Board or any other authority.
- vi. The person should not be disqualified under the Act.
- vii. Any other criteria as may be specified by the applicable law.

Further, the Unitholder Nominee Director shall recuse from voting on any transaction where either such Unitholder Nominee Director, such Unitholder Nominee Director's associate or the Eligible Unitholder(s) who nominated him/her or associate of such Eligible Unitholder(s) is a party.

5. NOMINATION PROCESS

i) Appointment of the Unitholder Nominee Director for the first time shall be undertaken as per the applicable provisions of the InvIT Circular.

ii) The IM shall send a written intimation to all unitholders on their email address(es) registered either with the IM or with any depository, within ten days from the end of each financial year, requesting them to inform the IM if any Eligible Unitholder(s) wishes to exercise the right to nominate a Unitholder Nominee Director.

iii) Eligible Unitholder(s) who wish to exercise this right shall inform the IM through a written notice within ten days of the receipt of the intimation from the IM. The Eligible Unitholder(s) shall be reckoned based on the unitholding pattern of the Trust as on March 31st of the financial year.

iv) The written notice from the Eligible Unitholder shall include:

- Name of the candidate;
- DIN of the candidate;
- A brief profile of the candidate, including age, educational qualifications, professional qualifications, nationality, occupation, address, experience in the sector and sub-sector in which the Trust operates and directorship in other entities, together with back-up documents;
- Details of any outstanding criminal action, regulatory action or material civil litigation against the candidate;
- Details required under the Act to facilitate the IM for filing of Form DIR-12;
- Confirmations in relation to eligibility of the candidate as set out in Clause 4 of this Policy;
- Names, demat account details and unitholding of the Eligible Unitholder(s); and
- Acknowledgement from the Eligible Unitholder(s) that their unitholding shall be maintained at atleast ten percent of the total outstanding units of the Trust, failing which they shall lose the right to have their Unitholder Nominee Director on the Board.

v) The eligibility of a Unitholder Nominee Director shall be confirmed by the IM, based on the evaluation done by the NRC and/or the Board as set out in Clause 6, within ten days of receipt of notice from Eligible Unitholder(s).

vi) Once the eligibility of a proposed Unitholder Nominee Director is confirmed, the IM shall take necessary steps to complete the appointment of such director on the Board within thirty days from the date of such confirmation.

vii) Further, if the proposed Unitholder Nominee Director is not eligible or not found suitable based on the evaluation done by the NRC and/or the Board in line with the Policy, the reasons shall be recorded in writing and shall be communicated by the IM to the Eligible Unitholder(s) within ten days of receipt of notice from Eligible Unitholder(s). In such case, the Eligible Unitholder(s) may submit another candidate within a period of ten days from the receipt of such communication from the IM.

viii) If any unitholder(s) acquires/holds units of the prescribed threshold of ten percent unitholding or more during a particular financial year, then such unitholder(s) shall be entitled to exercise the nomination right only in the following financial year as per the process mentioned in the Policy.

ix) If multiple unitholders are aggregating their unitholding for the purpose of nomination right then such notice shall also identify up to two unitholders as authorized representative of the group of Eligible Unitholder(s). Any communication by such authorized representatives to the IM for the purpose of such nomination shall be deemed to be on behalf of, and representative of the interests of, the entire group of Eligible Unitholder(s).

6. EVALUATION PARAMETERS

The Unitholder Nominee Director shall have appropriate knowledge, experience and skills required to discharge duties and responsibilities effectively and meets the eligibility criteria specified in Clause 4 of this Policy.

7. REPORTING AND MONITORING

The IM shall within ten days from the end of each calendar month, review whether the Eligible Unitholder(s) who have exercised the board nomination right, continue to have/hold the required number of units of Trust and make a report of the same which shall be submitted to the Trustee of Trust.

8. GROUNDS FOR DISCONTINUATION OF UNITHOLDER NOMINEE DIRECTOR

A Unitholder Nominee Director shall continue to remain on the Board of the IM unless:

- i. the nomination is withdrawn by Eligible Unitholder(s), or
- ii. change in the Unitholder Nominee Director is requested by Eligible Unitholder(s), or
- iii. 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 the IM'; or
- iv. the Unitholder Nominee Director is unable to serve or resign or is removed from the Board of the IM for any reason set out in the InvIT Circular.

Withdrawal of nomination:

If an Eligible Unitholder or a group of Eligible Unitholders propose to withdraw their nomination for the Unitholder Nominee Director that has been appointed on the Board, then such Eligible Unitholder(s), or their authorized representatives, shall inform the IM and the Unitholder Nominee Director of the same, and the Unitholder Nominee Director shall resign/step down from the Board of the IM forthwith.

Change in Unitholder Nominee Director:

If an Eligible Unitholder or a group of Eligible Unitholders proposes to change a Unitholder Nominee Director who has been appointed on the Board, then such Eligible Unitholder(s), or their authorized representatives, shall inform the IM of the proposed candidate in the manner set out in the Clause 5 of the Policy and then the IM shall evaluate the proposed candidate as set out in Clause 6.

Vacation of office of a Unitholder Nominee Director:

- a. Change in existing unitholding: 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 Trust, then the Eligible Unitholder(s) shall immediately inform the IM within two (2) working days from such change and the Unitholder Nominee Director shall resign/step down from the Board of the IM within two (2) working days from such change.
- b. Fresh issue of units by Trust: 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 Trust on account of fresh issuance of units by the Trust, then the Eligible Unitholder(s) shall immediately inform the IM within two (2) working days from the date of allotment of fresh units and the Unitholder Nominee Director shall resign/step down from the Board of the IM within two (2) working days from such date of allotment.

- c. Death or permanent disability of Nominee Director: In case of death or permanent disability of a Unitholder Nominee Director, the Eligible Unitholder(s) that nominated such Unitholder Nominee Director may propose another individual as a replacement in the manner described in Clause 5 of this Policy.
- d. Removal by the IM: The Board (including the NRC) shall have the power to remove a Unitholder Nominee Director from office, for reasons to be recorded in writing, including, but not limited to, if the Unitholder Nominee Director ceases to meet the eligibility criteria as set out in Clause 4 of this policy. Subject to applicable laws, any such removal of a Unitholder Nominee Director from office shall be effective upon the successful appointment to the Board of a replacement Unitholder Nominee Director nominated by the applicable Eligible Unitholder(s).

9. REMUNERATION OF UNITHOLDER NOMINEE DIRECTOR

The remuneration/ compensation/ commission/ sitting fees etc., if any, to be paid to the Unitholder Nominee Directors shall be in accordance with the provisions of the applicable law and will be determined by the Committee and recommended to the Board for approval.

10. AMENDMENTS TO THE POLICY

The Board on its own and/ or as per the recommendations of the NRC can amend this Policy, as and when deemed fit. The IM shall reserve the rights to make alterations/ amendments to the Policy from time to time to ensure compliance with any modification, amendment or supplementation to the InvIT Regulations, other applicable law, the memorandum and articles of association of the Company, or as may be otherwise prescribed by the Board from time to time. Subject to applicable laws, the IM shall promptly notify the Eligible Unitholders and Unitholder Nominee Directors of any alteration/amendment to this Policy.

11. AMENDMENTS IN THE LAW

Any subsequent amendment/ modification in the InvIT Regulations and/or other applicable laws in this regard shall automatically apply to the Policy. In case of any amendments in the provisions of the applicable law, which makes any of the provisions/ clauses in the Policy inconsistent with the applicable law, then the provisions of the applicable law would prevail over the Policy and the Policy shall stand amended effective from date of such amendments, as notified from time to time.