

Indus Towers Limited

Policy on Nomination, Remuneration and Board Diversity

*Pursuant to Section 178 of the Companies Act, 2013 and Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015*

1. Preamble, Objective and Scope

The Board of Directors, on the recommendation of HR, Nomination and Remuneration Committee, has approved and adopted this Policy on Nomination, Remuneration and Board Diversity (the “**Policy**”), in compliance with the provisions of Section 178 of the Companies Act, 2013, the rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended from time to time (“**Listing Regulations**”).

The Policy is intended to set out criteria for remuneration of the directors, Key Managerial Personnel, senior management and other employees of the Company in accordance with the goals of the Company and promote diversity within the board of directors, ensuring a broad range of perspectives and experiences that contribute to the effective governance and success of the company.

Objectives

The main objectives of this Policy are:

- To lay down criteria and terms and conditions for determining qualifications, competencies and positive attributes for appointment of directors (executive and non-executive including independent directors), Key Managerial Personnel and persons who may be appointed in senior management positions;
- To lay down criteria for determining the Company’s approach to ensure diversity of thoughts, experience, knowledge, education, skills, perspectives, geography, culture, age and gender
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage for the Company;
- To determine remuneration of directors, Key Managerial Personnel and other senior management personnel keeping in view all the relevant factors including industry trends and practices;
- To provide for rewards linked directly to their effort, performance, dedication and achievement of Company’s targets.

2. Definitions

“**Act**” shall mean the Companies Act, 2013 including the rules made thereunder, as amended from time to time.

“**Board**” or “**Board of Directors**” means Board of Directors of the Company.

“**Committee**” means the HR, Nomination and Remuneration Committee of the Company constituted by the Board of Directors of the Company in accordance with Section 178 of the Act and Regulation 19 of the Listing Regulations.

“**Company**” means Indus Towers Limited (formerly Bharti Infratel Limited).

“**Independent Director**” means an Independent Director as per the provisions of Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations.

“**Key Managerial Personnel**” or “**KMP**” of the Company means the Chief Executive Officer or Managing

Director or Manager, Company Secretary, Whole-time Director, Chief Financial Officer and such other officer, not more than one level below the directors, who is in whole-time employment of the Company and designated as Key Managerial Personnel by the Board and any other officer as prescribed under the Act.

“Senior Management”, for the purpose of this Policy, means officers and personnel of the Company who are members of its core management team excluding the Board of Directors and shall also comprise all members of the management one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager (including Chief Executive Officer/ Manager, in case they are not part of the Board) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the Board of the Company.

3. Interpretation

The words and expressions used in this Policy unless defined herein shall have the meaning assigned to them in the Act, Listing Regulations and such other act, laws, rules or regulations along with any statutory modification(s) or re-enactment(s) thereof, as the case may be.

If due to any reason, any provisions(s)/ clause(s) of this Policy is rendered unlawful or unenforceable, then the Policy shall be read as excluding that provision(s)/ clause(s).

All references to the plural herein shall also mean the singular and to the singular shall also mean the plural unless the context otherwise requires.

4. Constitution of HR, Nomination and Remuneration Committee

The Board has constituted the “HR, Nomination and Remuneration Committee” of the Board in line with the requirements of the Act and the Listing Regulations. This Policy and the Committee’s charter are integral to the functioning of the Committee and are to be read together.

5. Attributes, qualifications and diversity

A) Directors and Key Managerial Personnel

The Committee shall be responsible for identifying suitable candidates for appointment as directors or as KMPs of the Company.

The Board shall consist of such number of directors as is necessary to effectively manage the company of the size and nature as of Indus Towers Limited, keeping in view the Articles of Association of the Company. The Board shall have an optimum combination of executive and non-executive directors with at least one independent woman director and not less than fifty per cent of the Board shall comprise of non-executive directors. The roles of the Chairman and Managing Director or Chief Executive Officer shall not be exercised by the same individual.

While evaluating a person for appointment/ re-appointment as director or as KMP, the Committee shall consider and evaluate number of factors including but not limited to background, knowledge, skills, abilities (ability to exercise sound judgement), professional experience and functional expertise, educational and professional background, personal accomplishment, age, experience, understanding

of the telecommunication sector/ industry, marketing, technology, finance and other disciplines relevant to the business etc. and such other factors that the Committee might consider relevant and applicable from time to time towards achieving a diverse Board.

The Committee shall ensure that the **proposed director** satisfies the following additional criteria at the time of appointment/ re-appointment:

- Eligible for appointment as a director on the Board of the Company and is not disqualified in terms of Section 164 and other applicable provisions of the Act and the Listing Regulations.
- Has attained minimum age of 25 years and is not older than 75 years.
- Does not hold directorship in more than 20 companies (including private and public limited companies) or 10 public limited companies incorporated in India. Also, he/ she shall not hold directorship in more than such number of listed companies as may be prescribed in the Listing Regulations.

For the purpose of the above, the count for the number of listed entities on which a person is a director shall be only those whose equity shares are listed on a stock exchange.

- Will be able to devote sufficient time and efforts in discharge of duties and responsibilities effectively.

While evaluating a person for appointment/ re-appointment as an **Independent Director**, the Committee shall ensure that the proposed appointee satisfies the following additional criteria:

- Meet the baseline definition and criteria of “independence” as set out in Section 149(6) of the Act, Regulation 16(1)(b) of the Listing Regulations and other applicable laws.
- Should not hold the position of Independent Director in more than the permitted number of listed companies as may be prescribed in the Listing Regulations.

For the purpose of the above, the count for the number of listed entities on which a person is an independent director shall be only those whose equity shares are listed on a stock exchange.

- Should not hold any board/ employment position with a competitor in the geographies where the Company is operating. However, the Board may in special circumstances, waive this requirement.

The re-appointment/ extension of term of any member of the Board shall be on the basis of their performance evaluation report.

B) Senior Management

While evaluating a person for appointment/ re-appointment in a senior management position, the management shall consider various factors including individual’s background, competency, skills, abilities (viz. leadership, ability to exercise sound judgement), educational and professional background, personal accomplishment, age, relevant experience and understanding of related field viz. marketing technology, finance or such other discipline relevant to present and prospective operations of the Company.

6. Key Skills

The table below summarizes the key qualifications, skills and attributes which are taken into consideration while nominating candidates to serve on the Board.

Strategic Planning and Leadership skills	- Ability to think strategically and to identify and critically assess opportunities and threats and develop effective strategies in the context of objectives of the Company's relevant policies and priorities. - Appreciation of long-term trends, understanding diverse business environment, regulatory framework, economic and political conditions, strategic choices and experience in guiding and leading management teams.
Financial and Risk Management	- Wide ranging financial skills, accounting and reporting, treasury operations, corporate finance and internal controls, including assessing quality of financial control. - Identification of key risks to the Company and monitoring the effectiveness of risk management framework and practices.
Technology and digital expertise	A background in technology, resulting in knowledge of anticipating technological trends, generating disruptive innovation and extending or creating new business models.
Governance	Experience in developing governance practices, serving the best interest of all stakeholders, maintaining Board and management accountability, effective stakeholder engagements and commitment to highest standards of corporate ethics and values.
Industry and sector experience or knowledge	Knowledge and experience in telecom sector to provide strategic guidance to the management.
HR, Health, safety, environment and sustainability	Know-how of working on talent management and development, environment, health, safety, sustainability and corporate social responsibility activities directly or as a part of operational responsibility for long term value creation.

7. Removal of Directors, KMP or Senior Management

Subject to the provisions of the Articles of Association of the Company:

- The removal of any director can be recommended by the Committee to the Board and shall finally be approved by the shareholders basis recommendation of the Board.
- The removal of KMP and Senior Management shall be approved by the Board based on the recommendation of the Committee and Chairman/ Managing Director of the Company.

8. Remuneration Policy

A) Board Members

The overall limits of remuneration of the Board members are governed by the provisions of Section 197 of the Act and the Listing Regulations and shall be approved by the shareholders of the Company and shall be subject to the availability of profits of the Company.

Within the overall limit approved by the shareholders, on the recommendation of the Committee, the Board shall determine the remuneration including the sitting fees payable for attending the meetings of the Board and Committees. The Board can determine different remuneration for different directors on the basis of their role, responsibilities, duties, time involvement etc.

B) Non-Executive Directors including Independent Directors Profit linked Commission

Pursuant to the provisions of Section 197 of the Act and the shareholders' approval, the Board has approved the following remuneration:

- (i) Independent Directors: Profit linked commission of ₹ 3,500,000/- per annum.
- (ii) Chairman of Board - Additional profit linked commission of ₹ 1,500,000/- per annum.
- (iii) Chairman of Audit & Risk Management Committee - Additional profit linked commission of ₹ 1000,000/- per annum.
- (iv) Chairman of HR, Nomination and Remuneration Committee - Additional profit linked commission of ₹ 500,000/- per annum.
- (v) Chairman of Corporate Social Responsibility Committee - Additional profit linked commission of ₹ 500,000/- per annum.
- (vi) Chairman of Environmental, Social and Governance (ESG) Committee - Additional profit linked commission of ₹ 500,000/- per annum.
- (vii) Chairman of Stakeholders' Relationship Committee - Additional profit linked commission of ₹ 500,000/- per annum.

The commission is payable annually after approval of the financial results for the year or as may be decided by the Board from time to time. The payment of commission is pro-rated based on the Director's association with the Company during the financial year.

The Board may, from time to time, decide to pay Special/ Additional/ Ad-hoc commission to non-executive directors of the Company.

Sitting fees

In addition to the profit-linked commission, the Independent Directors shall be entitled to sitting fees of INR 50,000 per Board meeting and per Board Committee meeting, except Committees formed for specific purposes.

In case the Board appoints any person as an alternate Director to an Independent Director, such person will be entitled to sitting fee for the relevant meeting.

Reimbursement of travelling, local conveyance and other expenses

All independent directors would be entitled to reimbursement of following expenses:

- (i) Return air fare by business class - from the usual place of residence to venue of the meeting via shortest possible route.

- (ii) If the journey is being undertaken from some other destination, an amount equivalent to above will be reimbursed.
- (iii) Hotel stay – Boarding and lodging for meeting day(s) plus one day for those directors who may be required to arrive or depart one day ahead or one day later due to flight schedule.
- (iv) Local transportation shall be either provided by the Company or shall be reimbursed on actual basis.

All legitimate expenses which are incidental/ ancillary to effectively perform the duty as an independent director of the Company and which the concerned director would not have incurred had he not been the director of the Company e.g. courier charges, telephone expenses etc., shall be reimbursed.

C) Remuneration to Key Managerial Personnel and Senior Management

The remuneration payable to Key Managerial Personnel and Senior Management, in whatever form, shall be recommended to the Board by the Committee.

The remuneration payable to Key Managerial Personnel and Senior Management shall consist of (a) Fixed Pay, which is payable monthly and includes basic pay, contribution to retirement benefits, house rent allowance or company-leased accommodation and other allowances as per the Company's policy (b) Variable Pay (paid at the end of Financial Year) directly linked to the performance of the individual (i.e. achievement against pre-determined KRAs), his / her respective business unit and the overall Company's performance (c) Long term incentive / ESOPs, as may be decided by the Committee from time to time.

D) Criteria for Remuneration

While determining the remuneration of Directors, KMP, Senior Management Personnel, and other employees, the following criteria shall be considered:

- The level and composition of remuneration is reasonable and sufficient to attract, retain, and motivate directors & other employees of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets the performance benchmarks.
- The remuneration is a judicious mix of fixed & variable pay reflecting short- and long-term performance objectives, appropriate to the working of the Company and its goals and aligned with long-term interest including sustainability & ESG goals of the company.

9. Board Diversity

A) Diversity Criteria:

- The Nomination Committee must consider candidates from diverse backgrounds, including but not limited to gender, race, ethnicity, and age

- The board should include members with diverse professional backgrounds, skills, experiences and appropriate representation of women directors

B) Nomination Process:

- The Nomination Committee will consider candidates who meet the key skills and diversity criteria. Candidates will be evaluated based on their qualifications, experience, and ability to contribute to the matters of the board.
- The committee will ensure a fair, unbiased nomination process that promotes equal opportunity for all candidates.

C) Reporting:

The board shall ensure regular review and assessment of the board's diversity and make appropriate disclosures.

10. Disclosures by the Company

This Policy shall be disclosed on the website of the Company at www.industowers.com and in the Company's annual report.

11. General Limitations

In the event of any conflict between this Policy and any regulatory provision(s), such regulatory provision(s) shall prevail over this Policy.

12. Review of Policy and Amendment

This Policy will be reviewed and updated from time to time, as may be required. The Company Secretary is authorized to amend the Policy to give effect to any changes/amendments notified by Ministry of Corporate Affairs, Securities and Exchange Board of India or any appropriate authority from time to time. Such amended policy shall be placed before the Board for noting and ratification in the next meeting held after such changes/amendments are affected. Any questions and clarifications relating to this Policy should be addressed to the Company Secretary at compliance.officer@industowers.com.