

NOMINATION & REMUNERATION POLICY

1. PREAMBLE

Sustainable Energy Infra Investment Managers Private Limited (“**Investment Manager**”) has been appointed as the investment manager of Sustainable Energy Infra Trust (“**Trust**”), an infrastructure investment trust registered with the Securities and Exchange Board of India (“**SEBI**”) in accordance with the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended (“**SEBI InvIT Regulations**”). Accordingly, the board of directors of the Investment Manager (the “**Board**”) has adopted the following policy and procedures (the “**Policy**”) to provide a framework for nomination and remuneration of members of the Board, key managerial personnel (“**KMP**”), as applicable, Senior Management Personnel (“**SMP**”) and other employees of the Investment Manager.

This Policy is guided by the principles and objectives as enumerated in Regulation 26G of the SEBI InvIT Regulations and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI Listing Regulations**”), to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Investment Manager and the Trust.

This Policy reflects the remuneration philosophy and principles of the Investment Manager and the Trust, and considers the pay and employment conditions with peers / competitive market to ensure that pay structures are appropriately aligned.

2. NOMINATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL / OTHER EMPLOYEES

The nomination process of directors, key managerial personnel and other employees of the Investment Manager will be conducted as per applicable law.

3. REMUNERATION OF NON-EXECUTIVE AND INDEPENDENT DIRECTORS

- 3.1. Non-Executive Directors (“**NEDs**”) shall not be entitled to any remuneration, commission or compensation, other than reimbursements for out of pocket expenses. Independent Directors (“**IDs**”) may be paid remuneration by way of sitting fees and commission. The remuneration / commission / compensation to the IDs will be determined by the nomination and remuneration committee of the Board (“**NRC**”) and recommended to the Board for its approval subject to considerations under applicable law including restrictions on payments to NEDs who are not resident of India.
- 3.2. The commission to be paid to the IDs annually will be restricted to a fixed sum, as determined by the NRC, on the basis of their tenor in office during the financial year.
- 3.3. The payment of the commission to the IDs will be placed before the Board every year for its consideration and approval. The sitting fee payable to the IDs for attending the Board and NRC meetings will be fixed, subject to the statutory ceiling. The fee will be reviewed periodically and aligned to comparable best in class companies.
- 3.4. Keeping with evolving trends in industries and considering the time and efforts spent by specific IDs as well as specific roles performed by them, the practice of paying differential commission will be considered by the Board.
- 3.5. NEDs and IDs are entitled to be paid all travelling and other expenses they incur for attending to the Investment Manager’s and Trust’s affairs, including attending meetings of the Investment Manager.

3.6. The remuneration payable by the Investment Manager to IDs shall be subject to the conditions specified in the SEBI Listing Regulations.

4. REMUNERATION OF EXECUTIVE DIRECTOR

4.1 The compensation paid to the executive directors of the Board (including managing director), if any, will be within the scale approved by the shareholders of the Investment Manager, which may be subject to considerations under applicable law including restrictions on payments to executive directors who are not resident of India.

4.2 The elements of compensation of the executive director include the elements as described in paragraph 4.3 below.

4.3 While the fixed compensation is determined at the time of their appointment, the NRC will determine the variable pay compensation in the form of short term and long term incentives and annual increment for the executive director based on the Investment Manager's, Trust's and individual's performance as against the pre-agreed objectives for the year.

4.4 Executive directors will not be paid sitting fees for any Board / committee meetings attended by them.

4.5 The remuneration payable by the Investment Manager to the executive directors shall be subject to the conditions specified in the SEBI Listing Regulations including in terms of monetary limits, approval requirements and disclosure requirements.

5. REMUNERATION TO KEY MANAGERIAL PERSONNEL / OTHER EMPLOYEES

5.1. The Investment Manager's total remuneration for Key Managerial Personnel, SMP, if any, and other employees will consist of:

- fixed compensation;
- variable compensation in the form of short term and long term incentives;
- perquisites and benefits; and
- work related facilities and prerequisites.

5.2. Fixed compensation will be determined on the basis of size and scope of the job typically as reflected by the level or grade of the job, trends in the market value of the job and the skills, experience and performance of the employee. Fixed compensation will include basic salary, housing allowance, leave travel allowance and other allowances as governed by the this Policies.

5.3. The short term and long term incentives (variable pay) of executives will be linked directly to the performance of the Trust.

5.4. Based on the grade and seniority of employees, perquisites and benefits for employees may include:

- Accommodation (furnished or otherwise including interest on housing deposit and rent);
- Housing rental allowance;
- Retention bonus;
- Medical Reimbursements;
- Leave travel concession for self and family;
- Club subscription;
- Use of company cars;

- Health-Related reimbursements and facilities;
- Health (hospitalization) insurance;
- Accident and life insurance;
- Retirement-related benefits including contribution to a superannuation fund (in addition to statutory benefits such as provident fund account, gratuity, etc.); and
- Such other benefits, allowances, amenities and facilities in accordance with rules of the Investment Manager.

5.5. Employees will also be eligible for work related facilities and perquisites as may be determined through human resources policies issued from time to time based on the grade of the employee.

5.6. A formal annual performance management process will be applicable to all employees, including senior executives. Annual increases in fixed and variable compensation of individual executives will be directly linked to the performance ratings of individual employee and performance of the Trust.

- Overall compensation shall be subject to periodic reviews which takes into account data from compensation surveys conducted by specialist firms, as well as factors such as affordability based on the Investment Manager's performance and the economic environment.
- Employees may be eligible for severance payments in accordance with the termination clause in their employment agreement subject to applicable regulatory requirements.

6. COMMITTEE MEMBERS INTEREST

6.1. A member of the NRC is not entitled to participate in the discussions when his/her own remuneration is discussed at a meeting or when his/her performance is being evaluated.

6.2. The NRC may invite such executives, as it considers appropriate, to be present at the meetings of the NRC.

7. ADOPTION, CHANGES AND DISCLOSURE OF INFORMATION

7.1. This Policy and any changes thereof will be approved by the Board based on the recommendation(s) of the NRC.

7.2. This Policy may be reviewed at such intervals as the Board or NRC may deem necessary.

7.3. Such disclosures of this Policy as may be required under the SEBI InvIT Regulations and SEBI Listing Regulations may be made.

8. DISSEMINATION OF POLICY

A copy of this Policy shall be handed over to all directors within one month from the date of approval by the Board. This Policy shall also be posted on the website of the Trust and the details of this Policy, including the evaluation criteria, shall be mentioned in the annual report of the Investment Manager and the Trust, as applicable.

9. Conflict with Applicable Law

The Policy shall not contradict with the provisions of any applicable law. In case of any discrepancy, the provisions of applicable law shall prevail over the provisions of this Policy.

10. Amendment

- (i). Any amendment or variation to this Policy shall be undertaken in compliance with the SEBI InvIT Regulations and other applicable law.
- (ii). Notwithstanding the above, this Policy will stand amended to the extent of any change in applicable law, including any amendment to the SEBI InvIT Regulations and the SEBI Listing Regulations, without any action from the Investment Manager or approval of the unitholders of the Trust.

Adopted by Sustainable Energy Infra Investment Managers Private Limited on behalf of the InvIT on September 26, 2023.

Certified True Copy

Authorised Signatory

Name: Devjeet Ghosh

Designation: General Counsel and Chief Compliance Officer