

Policy for appointment of Unitholder Nominee Director

A. Applicability

This policy is applicable to Nxt-Infra Trust.

B. Preamble

Regulation 4(2)(i) of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 (“**SEBI InvIT Regulations**”), *inter-alia* provides that Unitholder(s) holding at least 10% of the total outstanding units of the InvIT, either individually or collectively (“**Eligible Unitholder(s)**”), shall have the right to nominate one director on the board of directors of the Investment Manager (“**Unitholder Nominee Director**”), in the manner as may be specified by SEBI. Chapter 22 of the SEBI Master Circular no. SEBI/HO/DDHS-PoD-2/P/CIR/2024/44 dated May 15, 2024 (“**Circular**”), relating to “Board nomination rights to unitholders of Infrastructure Investment Trusts (InvITs)” prescribes the framework to exercise board nomination rights by the Eligible Unitholder(s).

This Policy has been formulated to prescribe the framework for appointment of a Unitholder Nominee Director on the Board of Walter Infra Manager Private Limited, Investment Manager to Nxt-Infra Trust (“**Investment Manager**”) in relation to the qualifications and criteria for appointment and evaluation parameters of individuals nominated for Unitholder Nominee Director.

C. Definitions

- i. “**Eligible Unitholder(s)**” shall mean unitholder(s) holding ten percent or more of the total outstanding units of the InvIT, either individually or collectively.
- ii. “**Unitholder Nominee Director**” shall mean a non-independent director nominated by Eligible Unitholder(s) on the Board of Directors of the Investment Manager

D. Conditions for Nomination of a Unitholder Nominee Director

1. Eligible Unitholder(s) shall have the right, but not the obligation, to nominate any person for appointment as Unitholder Nominee Director;
2. Eligible Unitholder(s) shall be entitled to nominate only one Unitholder Nominee Director, subject to the unitholding of such Eligible Unitholder(s) exceeding the specified threshold.
3. If the right to nominate one or more directors on the Board of Directors 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 InvIT (or its HoldCo(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, except where such right to appoint a nominee director is available in terms of clause (e) of sub-regulation (1) of regulation 15 of the SEBI (Debenture Trustees) Regulations, 1993;



4. 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);
5. Unitholder Nominee Directors shall recuse themselves from voting on any transaction where either such director, such director's associates or the Eligible Unitholder(s) who nominated him / her or associate of such Eligible Unitholder(s) is a party; and
6. The individual proposed to be appointed as a Unitholder Nominee Director shall satisfy the conditions as set out below:
 - A. 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;
 - B. 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;
 - C. 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;
 - D. The person is not debarred from accessing the capital markets by the SEBI or any other authority;
 - E. 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; and
 - F. Such other requirements and conditions as may be required to be fulfilled by a director in terms of Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, and any other laws, to the extent applicable.

E. Process of Nomination and appointment

1. The Investment Manager shall send a written intimation to all unitholders on their email address(es) registered either with the Investment Manager or with any depository, within ten days from 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.
2. Eligible Unitholder(s) who wish to exercise this right shall inform the Investment Manager through a written notice within ten days of receipt of the intimation from the Investment Manager. The Eligible Unitholder(s) shall be reckoned based on the unitholding pattern of the InvIT as on March 31st of the financial year.

The Eligible Unitholder(s) shall inform the Investment Manager in writing of their proposed



candidate for the Unitholder Nominee Director along with relevant details, including:

- A. name of the candidate, along with the demat account details and unitholding of the Eligible Unitholder(s);
 - B. DIN of the candidate;
 - C. 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 InvIT operates and directorship in other entities, together with back-up documents;
 - D. details of any outstanding criminal action, regulatory action or material civil litigation against the candidate;
 - E. details required under the Companies Act, 2013 to facilitate the Manager for filing of Form DIR-12 and other applicable forms;
 - F. confirmations in relation to eligibility of the candidate as set out above in “Eligibility Parameters” section.
3. Multiple unitholders aggregating their unitholding for the purpose of nomination right shall identify up to 2 unitholders as authorized representative of the group of Eligible Unitholder(s).
 4. The notice shall also contain a specific acknowledgement from the Eligible Unitholder(s) that their unitholding shall be maintained at at-least ten per cent of the total outstanding units of the InvIT, failing which they shall lose the right to have their Unitholder Nominee Director on the Board of Directors of the Investment Manager.
 5. If the candidate proposed is not eligible or not found suitable based on the evaluation done by the Nomination and Remuneration Committee and/or the Board of Directors of the Investment Manager in line with this Policy, the reasons shall be recorded in writing and shall be communicated by the Investment Manager 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 Investment Manager.
 6. 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.

F. Post nomination compliances

1. The Investment Manager shall, within 10 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 Nxt-Infra Trust and make a report of the same. The Investment Manager shall submit such report to the Trustee of Nxt-Infra Trust.
2. On review by the Investment Manager, if it is found that Eligible Unitholder(s) do not have/hold the required number of units, then the Investment Manager shall inform the same to the Trustee, such unitholder(s) and the Unitholder Nominee Director. The Investment Manager and such Unitholder(s) shall require the relevant Unitholder Nominee Director nominated by such



Unitholder(s) to resign / step down from the Board of Directors of the Investment Manager forthwith and such Unitholder Nominee Director shall accordingly resign / step down from the board.

3. A Unitholder Nominee Director shall continue to remain on the Board of Directors of the Investment Manager unless:
 - (a) the nomination is withdrawn by Eligible Unitholder(s); or
 - (b) change in the Unitholder Nominee Director is requested by Eligible Unitholder(s); or
 - (c) 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
 - (d) the Unitholder Nominee Director is unable to serve or resign or is removed from the Board of Directors of the Investment Manager.

G. Vacating of office of Unitholder Nominee Director:

The office of a Unitholder Nominee Director may be vacated, including on occurrence of the following events:

1.
 - i. If at any time, the individual or collective unitholding of the Eligible Unitholder(s), who have nominated a Unitholder Nominee Director, falls below 10% of the total outstanding units of Nxt-Infra Trust; and
 - ii. If the individual or collective unitholding of the Eligible Unitholder(s), who have nominated a Unitholder Nominee Director, falls below 10% of the total outstanding units of the Nxt-Infra Trust on account of any fresh issuance of units by it,

then the Eligible Unitholder(s) shall immediately inform the Investment Manager within 2 working days from such change and the Unitholder Nominee Director shall resign / step down from the Board of Directors of the Investment Manager within 2 working days from such change.

2. In case of death or permanent disability of a Unitholder Nominee Director, the Eligible Unitholder(s) who nominated such Unitholder Nominee Director may propose another individual as a replacement.

H. Change in Unitholder Nominee Director

1. 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 of Directors of the Investment Manager, then such Eligible Unitholder(s), or their authorized representatives, shall inform the Investment Manager and the Unitholder Nominee Director of the same, and the Unitholder Nominee Director shall resign / step down from the Board of Directors of the Investment Manager forthwith.



2. If an Eligible Unitholder or a group of Eligible Unitholders propose to change a Unitholder Nominee Director who has been appointed on the Board of Directors of the Investment Manager, then such Eligible Unitholder(s), or their authorized representatives, shall inform the Investment Manager of the proposed candidate. The Investment Manager shall then evaluate the proposed candidate.
3. The Board of Directors of the Investment Manager (including the Nomination and Remuneration Committee) shall have the power to remove a Unitholder Nominee Director from office, for reasons to be recorded in writing, including if the Unitholder Nominee Director ceases to meet the eligibility criteria or other requirements, including as set out in this Policy.

I. Rights and Liabilities of Unitholder Nominee Director

1. A Unitholder Nominee Director shall ensure compliance with the provisions of Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, and all other laws, to the extent applicable.
2. A Unitholder Nominee Director shall not be eligible to receive any form of remuneration from the Investment Manager, including by way of sitting fees or commission.
3. A Unitholder Nominee Director shall ensure compliance with all applicable policies and codes of Nxt-Infra Trust and the Company as may be applicable to such director.
4. The Unitholder nominee director may be appointed as a member of any committee of Walter Infra Manager Private Limited, as may be deemed by its Board of Directors and such director shall then be bound to comply with the terms of reference of such committee.

J. Amendment

This Policy will stand amended to the extent of any change in applicable law. The Policy shall be annually reviewed by the Nomination and Remuneration Committee and the Board of Directors to assess its effectiveness.

