

Nomination and Remuneration Policy

1. Introduction

Section 178(3) of the Companies Act, 2013 and Regulation 19(4) read with Schedule II, Part D, Para A, point 1 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 requires the Nomination and Remuneration Committee of the Board of Directors to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Directors, Key managerial personnel and other employees.

The Company understands the importance of attracting, inducting and retaining high quality individuals at all levels to achieve operational excellence and create value for shareholders. A transparent, fair and reasonable process of determining remuneration plays a big role in having a productive and motivated workforce. The Board has constituted the Nomination and Remuneration Committee (the “**Committee**”) which, as per its scope and charter shall assist the Board in discharging its responsibilities relating to compensation of the Company's directors and other senior level employees.

2. Objectives

The objective and purpose of this policy are:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Independent, Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions.
- To determine criteria for remuneration of the Directors and Key Managerial Personnel based on the Company's size, financial position, and industry trends and practices.
- To lay down policies to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

3. Definitions

‘**Act**’ means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

‘**Board**’ means Board of Directors of the Company.

‘**Committee**’ means the Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time.

‘**Company**’ means Oberoi Realty Limited.

‘**Director(s)**’ mean Director(s) of the Company.

‘Independent Director’ means an Independent Director of the Company appointed pursuant to the provisions of Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

‘Key Managerial Personnel’ or ‘KMP’ means

- Chief Executive Officer or the Managing Director or the Manager and in their absence, the Whole-time director;
- Chief Financial Officer;
- Company Secretary; and
- Such other officer as may be prescribed.

‘Senior Management’ means such officers/ personnel of the Company who are members of its core management team excluding Board of Directors comprising of all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 (as amended from time to time), shall have the meaning respectively assigned to them therein.

4. Policy

This Policy is divided in two sections. Part A deals with policy related to Directors and Part B deals with policy related to KMP and the Senior management personnel.

Part A- I covers: Director’s appointment and nomination related policies

Part A- II covers: Director’s remuneration related policies

Part B- I covers: KMP and Senior Management personnel’s appointment and nomination related policies

Part B- II covers: KMP and Senior Management personnel’s remuneration related policies

4.1. Part A–

I. Appointment and Nomination of Director(s)

4.1.1 *Criteria for Board Membership*

The Committee shall take into consideration the following factors for proposal for appointment of a person as a Director and recommend to the Board his / her appointment accordingly:

- whether he/ she possesses adequate qualifications, expertise and experience. The Committee has discretion to decide whether qualification,

expertise and experience possessed by a person are sufficient / satisfactory for nominating him/her as a Director.

- whether, he/ she possesses high personal and professional ethics, integrity, values and moral reputation and is eligible to hold office under the provisions of the Companies Act, 2013 and Rules made thereunder and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the applicable policies of the Company.

4.1.2 Additional Criteria for Independent Directors

In addition to the criteria mentioned above, a person proposed to be appointed as an Independent Director shall meet all criteria specified in Section 149(6) of the Companies Act, 2013 and rules made thereunder and Regulation 16(1)(b) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

4.1.3 Term / Tenure

The Company shall not appoint or re-appoint any person as its managing director, whole-time director or manager for a term exceeding five years at a time. The term / tenure of the Directors shall be in accordance with the provisions of the Companies Act, 2013 and rules made thereunder and Regulation 25(2) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as applicable and as amended from time to time.

4.1.4 Removal

On account of disqualification to act as a director as mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or the applicable policies of the Company, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director subject to the provisions and compliance of the said Act, rules and regulations.

4.1.5 Retirement

A Director shall retire as per the applicable provisions of the Companies Act, 2013.

4.1.6. Criteria for Evaluation of Directors

The Committee shall carry out performance evaluation of every Director at regular interval (not longer than yearly) in terms of Performance Evaluation Policy of the Company for Board.

II. Remuneration and Perquisites of Director(s)

The Committee shall recommend to the Board the remuneration to be paid to Directors for its approval. The level and composition of remuneration so determined by the

Committee shall be reasonable and sufficient to attract, retain and motivate directors. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. In case of executive directors, the remuneration should ideally involve a balance between fixed and incentive pay reflecting short and long-term performance objectives aligned to the Company's vision.

4.2.1 *Managing Director/Whole-time Director/Executive Director*

Besides the above criteria, the remuneration/ compensation/ commission etc. to be paid to Managing Director/Whole-time Director/Executive Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. A Managing Director/Whole-time Director/Executive Director shall not be entitled to sitting fees.

4.2.2 *Non executive Independent Directors*

The Non-Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof and commission as recommended by the Committee and approved by the Board and shareholders; provided that the amount of such fees and commission shall be subject to ceiling/ limits as provided under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. An Independent Director shall not be entitled to any stock option of the Company.

Part B –

I. Appointment and Nomination of KMP or Senior Management

4.3.1 *Criteria for Appointment*

Based on the staffing requirement and the criterion provided by the line manager to the Human Resource Department (“**HRD**”), the HRD shall shortlist suitable resumes which shall be screened and interviewed by HRD and the functional department concerned. In cases of appointment of KMPs or Senior Management personnel, the Managing Director shall also interview the potential candidates.

The following factors shall be taken into consideration for appointment of a person as a KMP or as a Senior Management personnel:

- He/ she shall possess adequate qualification, expertise and experience for the position for which he / she is being considered. The concerned functional head has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- He/ she shall possess high personal and professional ethics, integrity, values and moral reputation and is eligible to be an employee under the applicable policies of the Company.

4.3.2 Removal

A KMP or Senior Management personnel may be removed from the employment when he/ she is unable to meet the organization's performance or policy standards, or is guilty of gross misconduct or unethical behavior or disciplinary breach. Such actions may be taken after undertaking suitable departmental and/or HRD enquiry.

In case of serious disciplinary breach, the termination may happen without any compensation or notice thereof. The Management may in its discretion, take legal action against the employee.

4.3.3 Retirement

The KMP and Senior Management personnel shall retire as per the prevailing policy of the Company. Subject to the organization's human resource policy, the concerned functional head may recommend to HRD, appointment of the retiree on retainer basis based on the requirement of the organisation, employee's past performance records, skill sets etc.

4.3.4. Criteria for Evaluation of KMP and Senior Management personnel

The concerned line manager shall carry out periodic evaluation of KMP and Senior Management personnel against predefined parameters, including achievement of targets / performance benchmarks given to them.

II. Remuneration and perquisites for KMP and Senior management level

Compensation of a KMP and Senior Management personnel will be done keeping in consideration the market value, demand-supply position, criticality of role and internal parity of the team. Based on the proposed compensation, final decision as to compensation shall be taken by the functional head and HRD and in cases of compensation beyond a certain threshold, by the Managing Director. Depending upon the criticality of the position, the Company may compensate for the notice period of the selected candidate and the decision in this regards will be jointly arrived at by the functional head and HRD.

For certain KMPs and Senior Management personnel, the compensation structure may include a variable performance linked component. In appropriate cases, the Managing Director or Head of Human Resource department or such other person/s duly authorized by the Compensation Committee constituted under the SEBI (Share Based Employee Benefits) Regulations, 2014 (including any modification, re-enactment thereof), may consider recommending to the Compensation Committee the grant of stock options as part of compensation.

All matters of appointment and remuneration of KMPs and Senior Management

personnel shall be subject to the organizational policies, as amended from time to time in consultation with the Managing Director.

5. Review and Publication of Policy

The Board shall periodically review this Policy to determine its appropriateness to the needs of the Company. The Board shall have the authority to amend the Policy, if required. The Policy shall be disclosed in the Board's Report.