

NOMINATION AND REMUNERATION POLICY
VATIKA LIMITED: GURGAON

1. Introduction

In terms of Section 178 of the Companies Act, 2013 as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors.

2. Applicability: -

The Policy is applicable to:

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel
- Other employees

3. Objective

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013. The objective of this policy is to lay down a framework in relation to remuneration of directors, KMP, senior management personnel and other employees. The Key Objectives of the committee would be:

- I. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- II. Formulation of criteria for evaluation of performance of Independent Directors and the Board;
- III. Devising a policy on Board diversity;
- IV. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- V. To carry out evaluation of the performance of Directors.
- VI. To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- VII. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- VIII. To ensure that the remuneration to Directors, Key Managerial Personnel (KMP), and senior management of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- IX. To assist the Board in ensuring that the plans are in place for orderly succession for appointments to the Board and to senior management.
- X. To recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

4. Definitions

- 4.1 **'Act'** means Companies Act, 2013 and rules relating thereto.
- 4.2 **'Board of Directors'** or **'Board'**, in relation to the Company, means the collective body of the directors of the Company.
- 4.3 **'Committee'** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board
- 4.4 **'Company'** means Vatika limited.
- 4.5 **'Directors'** means a director appointed to the Board of a Company.
- 4.6 **'Independent Director'** means a director referred to in Section 149 (6) of the Companies Act, 2013.
- 4.7 **'Key Managerial Personnel'** (KMP) means:
 - a. Chief Executive Officer or the Managing Director or the Manager
 - b. Company Secretary
 - c. Whole-time Director
 - d. Chief Financial Officer
- 4.8 **"Senior Management"** means the personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below Chief Executive Officer/ Managing Director/ Whole time Director and shall specifically include Company Secretary and Chief Financial Officer.

5. Constitution of Committee

- 5.1 The Board of Directors of the Company (the Board) constituted the committee known as "Nomination and Remuneration Committee" consisting of three or more non-executive directors out of which not less than one-half are independent directors.
- 5.2 At present, the Nomination and Remuneration Committee comprises of following Directors:
 - i. Ms. Ruchi Munjal, Chairman
 - ii. Mr. Vijender Kumar, Member
 - iii. Mr. Brij Kishore Singh, Member
- 5.3 The Chairman of the Committee shall be an Independent Director.
- 5.4 The chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.
- 5.5 In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- 5.6 The Chairperson of the Committee or in his absence, any other member of the committee authorised by him in this behalf shall attend the General Meetings of the Company to answer the shareholders' queries.
- 5.7 The Company Secretary shall act as the secretary for Committee meetings.
- 5.8 Minutes: Minutes of the meetings shall be recorded and maintained by the Company Secretary and shall be presented to the Committee for approval at its subsequent meeting.

- 5.9 Quorum: The quorum for the Committee meeting shall be one third of its total strength or two members, whichever is higher, including at least one Independent Director or specified by the Board if any, and the participation of the members by video conferencing or by other audio-visual means shall also be counted for the purposes of quorum.
- 5.10 The meetings of the Committee shall be held as and when required and as statutorily required under the provisions of Companies Act, 2013 and rules made thereunder and as per the applicable law, if any, for the time being.

6. CRITERIA FOR APPOINTMENT OF DIRECTOR AND SENIOR MANAGEMENT

The Committee shall consider the following factors for identifying the person who are qualified to becoming Director and who can be appointed in senior management:

- 6.1 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or at Senior Management level and recommend to the Board his / her appointment
- 6.2 A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- 6.3 An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.
- 6.4 The Company may appoint or continue the employment of any person as Whole- time Director who has attained the age of seventy years subject to the approval of shareholders by passing a special resolution. The explanatory statement annexed to the notice for such motion indicating the justification for appointing such person.
- 6.5 The Company should ensure that the person so appointed as Director/ Independent Director/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, or any other enactment for the time being in force.
- 6.6 The Director/ Independent Director/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, and rules made thereunder if any for the time being in force.
- 6.7 Independent Director shall meet all criteria specified in Section 149(6) of the Companies Act, 2013 and rules made thereunder. The Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate(s).

6A. Disqualifications for Appointment of Directors

The person shall be deemed to be disqualified to become a Director if he adheres any of the disqualification as prescribed under the provisions of Section 164 of the Act.

6B. Term / Tenure

6B.1 Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

6B.2 Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

6C. Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

6D. Retirement

The Director and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director or Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

7. CRITERIA FOR DETERMINING POSITIVE ATTRIBUTES & INDEPENDENCE OF DIRECTORS

Criteria for determining positive attributes:

The Committee shall consider the following factor for determining positive attributes of directors (including independent directors):

- 7.1 Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- 7.2 Actively update their knowledge and skills with the latest developments in the Real Estate industry, market conditions and applicable legal provisions.
- 7.3 Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities
- 7.4 To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- 7.5 Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- 7.6 To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees

Criteria for determining Independence:

The Independent Director shall qualify the criteria of independence mentioned in Section 149(6) of the Companies Act, 2013 and rules related thereto.

PERFORMANCE EVALUATION

The provisions relating to the performance evaluation of the Directors and the Board areas follows:

1. Nomination and Remuneration Committee to carry out evaluation of every Directors Performance - Sec 178(2) of the Act.
2. Independent Directors to bring objective view in evaluation of performance of Board and Management - Schedule IV(II) of the Act.
3. Performance evaluation of Independent Directors shall be done by entire Board of Directors excluding the Director being evaluated - Schedule IV of the Act.
4. Disclosure in Board Report a statement indicating the manner in which formal annual evaluation of the performance has been made of Board, its Committees and of individual Directors - Section 134(3)(p) of the Act.

8. CRITERIA FOR EVALUATION OF THE BOARD, ITS COMMITTEES & INDIVIDUAL DIRECTORS

Pursuant to the provisions of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board is required to carry out annual evaluation of Board, its committees and individual Directors.

For annual performance evaluation of the Board as a whole, its Committee(s) and individual Directors including the Chairman of the Board, the Company shall formulate a questionnaire to assist in evaluation of the performance. The tool takes the form of a series of assertions/questions which should be awarded a rating on a scale of 1 to 5 by all individual Directors. Every Director has to fill the questionnaire related to the performance of the Board, its Committees and individual Directors except himself. On the basis of the response to the questionnaire, a formal annual evaluation shall be made by the Nomination and Remuneration Committee of the performance evaluation of the Board and that of its Committees and individual Directors.

9. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The KMP, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR policies and / or as may approved by the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies.

The annual increment of remuneration for Managing Director/Whole-time Director shall be made on the basis of the resolution approved by the shareholders. The annual increment in Salary of KMPs (other than Managing Director/Whole-time Directors), Senior Management Personnel shall be approved by the Board and other employees shall be made as per HR policy of the Company.

The level and composition of remuneration as determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the company required to run the Company successfully.

The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals:

9.1 General:

- 9.1.1 Nomination and Remuneration Committee shall recommend to the Board for its approval, the remuneration, including the commission based on the net profits of the Company for the Non-Executive Directors and Whole-time Director and other Executive Directors. The remuneration shall be subject to the prior/post approval of the shareholders of the Company

and Central Government, wherever required.

- 9.1.2 Directors' and officers' Insurance : Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

9.2 Remuneration to Whole-time / Executive / Managing Director

9.2.1 Fixed pay:

The Whole-time Director/ Managing Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders.

9.2.2 Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director/ Managing Director in accordance with the provisions of the Companies Act, 2013.

9.2.3 Provisions for excess remuneration:

If any Whole-time Director/ Managing Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the approval required under the Act, he/ she shall refund such sums to the Company, within two years or such lesser period as may be allowed by the Company until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless approved by the Company by Special Resolution within two years from the date the sum becomes refundable.

9.3 Remuneration to Non- Executive / Independent Director:

9.3.1 Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed INR One lakh per meeting of the Board or Committee. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company. Further the boarding and lodging expenses shall be reimbursed to the Directors.

10. DISCLOSURES

The following disclosures are required under Companies Act, 2013:

- 10.1 Nomination and Remuneration Policy shall be disclosed in the Board's Report. (proviso to Section 178(4) of the Act)
- 10.2 The Company shall disclose in the Board's report, the ratio of the remuneration of each Director to the median employee's remuneration and such other details as may be prescribed under Rule 5 of the Companies (appointment and Remuneration of Managerial Personnel) Rules, 2014. (Section 197(12) of the Act)

11. REVIEW AND AMENDMENT

- 11.1 The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit. The Company Secretary being the Compliance Officer is also authorized to make amendment in this policy, where there is any statutory changes necessitating the amendment in the policy.
- 11.2 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s)etc.
