



INDIA LEASE DEVELOPMENT LIMITED

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NOMINATION AND REMUNERATION POLICY

1. INTRODUCTION

Pursuant to Section 178 of the Companies Act, 2013 (“the Act”) and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) (as amended from time to time), the Board of Directors of the Company shall constitute the Nomination and Remuneration Committee comprising of at least three non-executive Directors out of which not less than one half are independent directors as required under the Act and the Listing Regulations. The Chairman 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.

This Committee and the Policy is formulated in compliance with Section 178 of the Act read along with the applicable rules thereto and Regulation 19 of Listing Regulations.

2. OBJECTIVE

The objective of this Policy is to lay down a framework in relation to remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management. The Key Objectives of the Committee would be:

- i. To guide the Board in relation to appointment and removal of Directors, KMP and Senior Management.
- ii. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, KMP and other employees.
- iii. Formulation of criteria for evaluation of Independent Director and the Board.
- iv. To evaluate the performance of the members of the Board.
- v. To recommend to the Board on Remuneration payable to the Directors, KMP and Senior Management.
- vi. To provide to KMP and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- vii. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- viii. To devise a policy on Board diversity.

3. DEFINITIONS

“Board” means Board of Directors of the Company.

“Company” means “India Lease Development Limited.”

“Independent Director” means a director referred to in Section 149(6) of the Companies Act, 2013.

“Key Managerial Personnel” (KMP) means

- (i) Chief Executive Officer or the Managing Director or the Manager,
- (ii) Company Secretary,
- (iii) Whole-time Director,
- (iv) Chief Financial Officer and
- (v) Such other officer as may be prescribed.

“Nomination and Remuneration Committee” (NRC/Committee) shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Listing Regulations.

“Policy or This Policy” means Nomination and Remuneration Policy.

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-Tax Act, 1961.

“Senior Management” includes officers/personnel of the Company who are members of its core management team excluding Board of Directors and shall comprise of all members of management one level below the Chief Executive Officer/Managing Director/Whole-time Director and shall specifically include Company Secretary and Chief Financial Officer.

Note for the above definition: Members of management one level below shall mean Business Head(s) and Functional Heads reporting to Managing Director(s).

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

4. ROLE OF THE COMMITTEE

The role of the Committee inter alia will be the following:

- a) Formulate criteria to qualify individuals who may become Director or who may be appointed in senior management level of the Company and recommend to the Board of such appointments and removal.
- b) Carry out performance evaluation of all Directors and Board.
- c) Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- d) Recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and Senior Management. The Policy shall be referred as Nomination and Remuneration Policy.
- e) To decide on the commission payable to the Directors within the prescribed limit and as approved by the shareholders of the Company.
- f) To devise the Policy on Board's diversity.

- g) To formulate, implement and administer Employee Stock Option Scheme(s) of the Company and grant stock options to the employees.
- h) To recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
- i) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- j) To decide whether to extend or continue the term of appointment of the independent director on the basis of report of performance evaluation of independent director.

5. MEMBERSHIP OF THE COMMITTEE

- a) The Committee shall comprise of at least three (3) Directors, all of whom shall be nonexecutive Directors and at least half shall be Independent. The Chairman of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Act and Listing Regulations and such other applicable statutory requirement.
- c) Minimum two (2) members or one third of the members of the Committee, whichever is greater, including at least one independent director in attendance shall constitute a quorum for the Committee meeting.
- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Term of the Committee shall be continued unless terminated by the Board of Directors.

6. CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee should be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

7. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at least once in a year.

8. MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee Meeting will be tabled at the subsequent Board and Committee meeting.

9. COMMITTEE MEMBERS' INTERESTS

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

10. VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

11. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

• Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management and recommend to the Board his / her appointment.
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.
3. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years.

Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

• Term / Tenure:

1. Managing Director/Whole-time Director/Manager (Managerial Person):

- The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding three years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

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 shall be made in the Board's Report of the Company.

- No Independent Director shall hold office for more than two consecutive terms, 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.

• **Evaluation:**

The performance evaluation shall be carried out as given below:-

Performance Evaluation by	Of Whom
Nomination and Remuneration Committee	Every Director's performance
Board of Directors	- All Directors and Board and Committees as a whole - All Independent Directors excluding the Director being evaluated
Independent Directors	Review the performance of Non Independent Directors and Chairman of the Company

The Committee shall carry out evaluation of performance of every Director at regular interval yearly).

• **Removal:**

Due to reasons for any disqualification mentioned in the Act, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations.

• **Retirement:**

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

12. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND SENIOR MANAGEMENT

• **General:**

1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and such other approval, wherever required.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Act and Listing Regulations, and the rules made there under for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person.
4. The remuneration structure will have a right mix of guaranteed (fixed) pay, pay for performance and long term variable pay based on business growth and other factors such as growth in shareholder value to ensure that it is competitive and reasonable

5. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and for Senior Management 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.

• **Remuneration to Managerial Person, KMP and Senior Management:**

1. Fixed pay:

Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Act and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including employer's contribution to Provident Fund(s), pension scheme(s), medical expenses, club fees if any, etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and such other approval, wherever required.

2. Variable Pay:

The Company may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives set by the Board. The amount payable shall be based on performance against pre-determined financial and non-financial metrics.

3. Provision for excess remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Act. If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without such approval, wherever required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company.

• **Remuneration to Non-Executive/Independent Director**

1. Remuneration/Commission:

The remuneration/commission, if any, shall be in accordance with the statutory provisions of the Act and the rules made there under for the time being in force.

2. Sitting Fees:

The Non-Executive/Independent Director may receive, if any remuneration by way of fees for attending meetings of Board or Committee thereof.

Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such amount as may be prescribed from time to time.

3. Limit of Remuneration/Commission:

Remuneration/Commission may be paid to Non-Executive Directors within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act.

13. GUIDING PRINCIPLES

The Policy ensures 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.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and
- Remuneration to Directors, Key Managerial Personnel and Senior Management 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.

14. DEVIATIONS FROM THIS POLICY

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

15. REVIEW/REVISION OF POLICY

If at any point a conflict of interpretation / information between the Policy and any regulations, rules, guidelines, notification, clarifications, circulars, master circulars/ directions issued by relevant authorities ("Regulatory Provisions") arises, then interpretation of the Regulatory Provisions shall prevail.

In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the Policy shall stand amended accordingly from the effective date specified as per the Regulatory Provisions. The Board and/or its Committee reserve(s) the right to alter, modify, add, delete or amend any of the provisions of the Policy

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