



## Appointment and Remuneration Policy of Directors, Key & Senior Managerial Personnel

**Effective Date:** With the approval of the Board pursuant to its resolution dated 22.05.15.

**Amended:** With the approval of the Board pursuant to its resolution dated [●].

### Introduction:

In terms of provisions of Section 178 of the Companies Act, 2013, read with the rules made there under, each as amended (the “**Companies Act**”), 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 (the “**Listing Regulations**”), the Nomination and Remuneration Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Bharat Hotels Limited (the “**Company**”) has been entrusted with the following powers:

- i) To identify persons who are qualified to become directors and who may be appointed to senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- ii) To carry out the evaluation of every director’s performance and to specify the manner for effective evaluation of performance of Board;
- iii) To formulate the criteria for determining qualification, positive attributes and independence of directors;
- iv) To recommend remuneration of executive directors and any increase therein from time to time, within the limit approved by the members of the Company;
- v) To recommend remuneration to non-executive directors in the form of sitting fees for attending meetings of Board and its Committees, remuneration for other services, commission on profits;
- vi) To recommend to the Board a policy, relating to the remuneration for the directors, Key Managerial Personnel and other Senior Managerial Personnel;
- vii) To engage the services of any consulting/ professional or other agency for the purpose of recommending to the Committee on compensation structure/policy; and
- viii) To exercise such other powers as may be delegated to it by the Board from time to time.

**Policy Statement:**

In accordance with the above duties entrusted with the Committee, this policy on Director's appointment and remuneration (this "Policy") has been formulated and shall be read in line with the requirements of the Companies Act and the Listing Regulations and such other rules, regulations, circulars and notifications as may be applicable.

- a) "KMP" shall include:
- (i) the Chief Executive Officer or the Managing Director or the Manager and in their absence, a whole-time director;
  - (ii) the Company Secretary;
  - (iii) the Chief Financial Officer; and
  - (iv) such other officer as may be prescribed under the Companies Act.
- b) "Senior Managerial Personnel" of the Company shall include all Corporate Vice Presidents/Functional Heads, General Managers and/or Resident Managers of all the hotels of the Company.

**Applicability:**

This Policy is applicable to all Directors, KMPs and SMPs of the Company.

**Appointment criteria and qualifications for appointment of Director and Key Managerial Personnel:**

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMPs and SMPs and recommend to the Board his / her appointment.

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.

**Term / Tenure:**

The Company shall not appoint any person as Managing Director / Whole-Time Director who has attained the age of 70 years.

Provided that the term of the person holding this position may be extended beyond the age of 70 years with the approval of shareholders by passing a special resolution based on the justification for extension of appointment beyond 70 years.

#### **Managing Director/Whole-time Director**

The Company shall appoint or re-appoint any person as its executive Chairperson, Managing Director or Executive Director for a term not exceeding such term as may be specified under the Companies Act. No re-appointment shall be made earlier than one year before the expiry of term, and which shall be done with the approval of the shareholders of the Company.

#### **Independent Director:**

An independent director shall hold office for a term in accordance with the Companies Act, particularly Section 149 of the Companies Act, and will be eligible for reappointment 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, 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.

#### **Remuneration to Directors of the Company:**

The remuneration payable to Directors of the Company, including any Managing or Whole-Time Director or Manager shall be determined in accordance with and subject to the articles of association of the Company or by a resolution (or a special resolution if required by the articles of association of the Company).

#### **Remuneration to Whole-time / Executive / Managing Director:**

- a) Managing Director /Whole-Time/Executive Director shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to provident fund, medical expenses, LTA, club fees etc. shall be decided and approved by the Board, shareholders and Central Government, if required, and the same shall be in accordance with the provisions of the Companies Act and the Rules.

- b) If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its managing director / whole-time director in accordance with the provisions of Schedule V of the Companies Act.
- c) The remuneration payable by the Company to the non-executive directors shall be subject to conditions specified in the Companies Act and the Listing Regulations, including the monetary limits, disclosure requirements and approval requirements.

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

- a) Remuneration/Commission: The remuneration by way of fees, reimbursement of expenses for participation in the Board and other meetings (including committee meetings) and profit related commission shall be fixed as per the limits mentioned in the Companies Act, subject to approval from the shareholders as applicable. The payment of commission shall be placed before the Board on an annual basis every year for its consideration and approval and the sitting fees shall be reviewed periodically and aligned with comparable companies.
- b) Sitting Fees: The non- executive/independent director shall receive remuneration by way of fees for attending meetings of Board or committee thereof, provided that the amount of such fees shall not exceeds the amount as may be prescribed by the Central Government from time to time.
- c) Non- Executive / Independent Director shall not be entitled to any stock options in the Company.
- d) Non-executive and independent directors are entitled to be paid all travelling and other expenses that they may incur for attending to the Company's affairs, including attending meetings of the Company.
- e) The remuneration payable by the Company to the non-executive and independent directors shall be subject to conditions specified in the Companies Act and the Listing Regulations, including the monetary limits, disclosure requirements and approval requirements.

**Remuneration to Key Managerial Personnel and Senior Managerial Personnel  
(other than Whole-time / Executive / Managing Director)**

The Chairperson & Managing Director on the recommendation of the Committee shall approve the remuneration of the KMPs and SMPs.

A formal annual performance management process will be applicable to the KMPs and SMPs. Annual increases in fixed and variable compensation of individual executives will be directly linked to the performance ratings of individual employee.

The managerial remuneration payable by the Company shall be subject to the conditions specified under the Companies Act and the Listing Regulations, including in terms of monetary limits, approval requirements and disclosure requirements.

### **Disclosure**

This Policy and other contents as required to be disclosed shall be disclosed in the annual report of the Company and posted on the website of the Company, if required under the Companies Act, 2013 and rules thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and any other regulatory requirements.

### **Effective date**

The Appointment and Remuneration Policy of Director's, KMPs and SMPs. has been adopted by Board pursuant to its resolution dated 22.05.2015.

This Amended Policy has been issued with the approval of the Board pursuant to its resolution dated 12-02-2018.

### **Amendments and Updation:**

The Nomination & Remuneration Committee shall periodically review this Policy and may recommend amendments to this Policy from time to time as it deems appropriate, which shall be in accordance with the provisions of the Companies Act and the Listing Regulations.

In case of any inconsistencies between the Policy and the Companies Act, the provisions of the Companies Act shall prevail.

Date: 12-02-2018