

HOTEL POLO TOWERS LIMITED

NOMINATION AND REMUNERATION POLICY

1. INTRODUCTION

In terms of Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its Power) Rules 2014 and Regulation 19 and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended (“**Listing Regulations**”) every listed company shall constitute a Nomination Remuneration Committee (the “**Committee**”) consisting of three or more non-executive directors out of which not less than two-thirds of the directors shall be Independent Directors and Chairperson of the committee shall be an Independent Director. The Committee shall meet at least once in a financial year, with minutes of such meetings recorded appropriately. The Committee may invite executives, as deemed necessary, to provide insights during meetings.

This Committee has been constituted to consider its human resources as its invaluable assets, and has formulated this policy on nomination and remuneration of Directors, Key managerial personnel, Senior management Personnel and other employees of the Company (hereinafter referred as ‘**Policy**’)

2. ROLE AND OBJECTIVES OF NOMINATION REMUNERATION COMMITTEE

The role of the Nomination Remuneration Committee shall be governed by the applicable provisions of the Companies Act, 2013 and rules made thereunder along with Listing Regulations. The Policy sets out guiding principles for the Committee of the Company for recommending to the Board the remuneration of Directors, Key managerial personnel, Senior management and other employees. The objective of this Committee is:

- To recommend to the Board appointment/re-appointment and removal of Directors, KMP and Senior Management.
- To recommend remuneration payable to Directors, KMP, Senior Management and other employees.
- To devise criteria for qualifications, positive attributes, independence and diversity of Directors.
- To formulate criteria for performance evaluation of Directors (including Independent Directors), the Board and Committees.
- To ensure remuneration is reasonable, competitive, linked to performance, and enables attraction, retention and motivation of talent.
- To administer employee incentive/ESOP schemes as may be approved by the Board/shareholders.
- 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 modifications as may be applicable

3. TERMS OF REFERENCES

In this Policy unless the context otherwise requires:

“Act” means Companies Act, 2013 including the applicable Rules & regulations, as amended;

“Board of Directors” or **“Board”** or **“Directors”**, in relation to the Company, means the collective body of the directors of the Company appointed in terms of provisions of the Act;

“Chairperson” shall mean Chairperson of the Nomination Remuneration Committee;

“Committee” shall mean Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board;

“Independent Director” means a director referred to in Section 149 (6) of the Act;

“Key Managerial Personnel” or **“KMP”** in relation to a company, defined 2(51) of Companies Act 2013 which means and includes:

- Chief Executive Officer (‘CEO’)
- Managing Director (‘MD’) or the Manager;
- Company Secretary;
- Whole-time Director (‘WTD’);
- Chief Operating Officer
- Chief Financial Officer; and
- such other officer as may be prescribed;

“Policy” means Nomination Remuneration Policy adopted by the Company time to time;

“Rules & regulations” refers to and comprise of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014, the Companies (Appointment and Qualification of Directors) Rules, 2014, the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014, and such other rules and provisions as applicable to the matters dealt in by this Policy;

“Senior Management” for this purpose shall mean the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

Unless the context otherwise requires, words and expressions used in this policy and not defined shall have the same meaning assigned to them in the Act and the Listing Regulations, as the case may be.

4. SCOPE

The matters to be dealt by Committee in terms of this Policy are as follows:

- i. Formulate the criteria and specify the manner for evaluation for determining qualifications, positive attributes and independence of the Director and identify persons who are qualified to be appointed as Directors, Key Managerial Personnel and Senior Management Personnel and recommend to Board their appointment and removal;
- ii. The appointment/re-appointment/ removal and term/tenure of Director, Key Managerial Personnel be determined by the Committee and shall be recommended to the Board for approval. The appointment/re-appointment/ removal and term/tenure of Director, Key Managerial Personnel shall be governed by the applicable provisions of Section 149, Section 150, Section 151, Section 152, Section 196 and Section 203 of Companies Act 2013 read with Rule 5 (Appointment of Directors) Rules 2014 and Regulation 17 of Listing Regulations as amended time to time;
- iii. Review the implementation and compliance of the Policy;
- iv. Specify the manner for evaluation of the performance of Directors, its Key Managerial Personnel, and its Committees annually as specified under Section 134(3)(p) of the Companies Act, 2013 and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations; and
- v. Determination of remuneration based on the Company's size, financial position, trends and practices for remuneration prevailing in similar companies in the industry and the same shall be governed by applicable provisions of Section 197 of the Companies Act 2013 read with Rule 4 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended time to time.

5. APPOINTMENT/RE-APPOINTMENT/REMOVAL AND REMUNERATION

Part-A: Key Managerial Personnel

I. MANAGING DIRECTOR/WHOLE TIME DIRECTOR

Appointment/Re-appointment/Removal

- i. The Company shall not appoint or continue the employment of any person as MD/WTD/Manager who is below the age of twenty-one years or has attained the age of seventy years. Provided that the appointment of a person who has attained the age of seventy years may be appointed 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 appointment of such person.

- ii. Subject to the applicable provisions of the Act and the Memorandum and Articles of Association of the Company, the Company shall appoint or re-appoint any person as its MD/WTD as specified under Section 149 of the Companies Act 2013

Remuneration

- i. Subject to Section 197 and Schedule V of the Act and Regulation 17 of the Listing Regulations, the MD/WTD will be eligible for remuneration either by way of a monthly payment or at a specified percentage of the net profits of the company or partly by one way and partly by the other with the approval of the shareholders of the Company on the recommendation of the Committee and the Board. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, PT, Gratuity, pension scheme, medical expenses 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 wherever required in terms of the provisions of the Act.
- ii. If, in any financial year, the Company has no profits or its profits are inadequate as calculated under Section 198 of the Act, the Company shall pay remuneration to its MD/WTD/ in accordance with Section 197 of the Act and Schedule V with the previous approval of the Shareholders.
- iii. If any MD/WTD 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 of its shareholders, where required, he / she shall refund such sums to the Company and 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 special resolution within two years from the date the sum becomes refundable by shareholders.

In case of inadequacy of profits, the remuneration payable to MD/WTD shall not exceed limits specified under Schedule V. The remuneration in excess of the above limits may be paid with prior shareholders' approval by passing special resolution

II. NON-EXECUTIVE DIRECTOR, INDEPENDENT DIRECTOR, CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, CHIEF OPERATING OFFICER AND COMPANY SECRETARY

Appointment/Re-appointment/Removal

- i. A person should possess adequate qualification, expertise and experience for the position considered by Committee for appointment.
- ii. A person shall be appointed as Independent Director subject to the compliance of provisions of Section 149(6) of the Companies Act, 2013, read with Schedule IV and Rule 5 of Companies (Appointment of Directors) Rules 2014, as amended time to time

- iii. The Director, KMP and Senior Management Personnel shall retire/resign as per the applicable provisions of the Act and in addition to the above, in the context of KMPs and Senior Management Personnel, the prevailing HR policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining retirement age, subject laws governed by Companies Act 2013 and any other applicable laws, for the benefit of the Company.
- iv. Subject to the applicable provisions of the Act and the Articles of Association of the Company, the Company shall appoint or re-appoint any person as its MD/ WTD/ Senior Management Personnel as specified under Section 149 of the Companies Act 2013
- v. Appointment/ re-appointment attributes and removal of an Independent Director shall be governed by section 149 of the Companies Act 2013.
- vi. An Independent Director shall hold office for a maximum term of two (2) consecutive years on the Board of the Company, with the approval of the shareholders in general meeting and will be eligible for re-appointment on passing of a special resolution by the shareholders of the Company for another term of maximum two (2) years and disclosure of such appointment be made in the Board's report.
- vii. Any Independent Director, who has completed his two consecutive terms, shall be eligible for appointment after expiry of three (3) 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.
- viii. The Independent Director shall not be liable to retire by rotation.
- ix. Removal of Independent:

Any person who is disqualified for appointment/ re-appointment as a Director in terms of Section 164 of the Act shall not be eligible for appointment/ re- appointment, as the case may be, as a Director of a company

Remuneration

- i. Subject to Section 197 read with Schedule V of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Committee, while deciding remuneration/compensation/profit-linked commission for the Directors and Key Managerial Personnel, should ensure:
 - a. 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;
 - b. That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

- c. That the remuneration to Directors, Key Managerial Personnel and Senior Management Personnel including other employees 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;
- ii. The remuneration/ compensation/ profit-linked commission, etc. to the Directors and Independent Directors and Key Managerial Personnel and increments thereto will be determined by the Committee subject to the approval of the shareholders of the Company, in accordance with the Act.
- iii. 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.
- iv. In case of inadequacy of profits, the remuneration payable to Key Managerial Personnel shall not exceed limits specified under Schedule V. The remuneration in excess of the above limits may be paid with prior shareholders' approval by passing special resolution.

Sitting Fees

- i. The quantum of sitting fees will be determined as per the recommendation of Committee and approved by the Board of Directors of the Company. The Company may make arrangement or reimburse the expenses incurred by the Non-Executive/ Independent Director(s) for travelling, boarding and lodging for participation in the Board or Committee meetings.

6. AMENDMENTS & REVIEW

The Committee shall review this Policy periodically and recommend amendments to the Board to align with regulatory and business needs.

7. DISCLOSURE

This Policy, including the management of ESOPs, shall be disclosed on the Company's website and in the Annual Report. Amendments must be approved by the Board and disclosed as required under applicable regulations.

8. EFFECTIVE DATE

The Board of Directors of the Company ("Board") has adopted this Policy at its meeting held on **18th day of September, 2025**. This Policy is effective from the date of its adoption by the Board.
