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**GMR ENTERPRISES PRIVATE LIMITED**

Policy on Nomination and Remuneration

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## 1. INTRODUCTION

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Pursuant to Section 178 of the Companies Act, 2013 read with RBI Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016 dated August 25, 2016 and Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 dated October 19, 2023, the Company has constituted a Nomination and Remuneration Committee (NRC) to ensure 'fit and proper' status of proposed/ existing directors for determining qualifications, positive attributes, balance of skills, knowledge and experience, background, remuneration for the directors, key managerial personnel and other employees.

Pursuant to the Listing Regulations, the Non-Executive Directors of the Company shall be treated as Independent Directors.

### 1.1. Purpose of the Policy

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The Key Objectives of the Committee are:

- (i) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- (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 for the directors, key managerial personnel and other employees;
- (iii) Specify the manner for effective evaluation of performance of Board, its committees, individual directors and Chief Compliance Officer;
- (iv) To ensure that:
  - a) 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) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c) 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.

### 1.2. Definitions

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1.2.1. "Board" means the Board of Directors of the Company.

1.2.2. "Company" means "GMR Enterprises Private Limited."

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- 1.2.3. "Employees' Stock Option" means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.
- 1.2.4. "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013 and Rules made thereunder.
- 1.2.5. "Key Managerial Personnel" or "KMP" means Key Managerial Personnel of the Company in terms of the Companies Act, 2013 and the Rules made thereunder. *(As per Section 203 of the Companies Act, 2013, the following are whole-time KMP as may be appointed by the Board as KMPs from time to time:*
- (i) Managing Director or Chief Executive Officer or the Manager and in their absence a whole-time Director;*
  - (ii) Company Secretary; and*
  - (iii) Chief Financial Officer.)*
- 1.2.6. "Nomination and Remuneration Committee (NRC)" 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 read with applicable RBI Regulations.
- 1.2.7. "Policy or This Policy" means, "Nomination and Remuneration Policy."
- 1.2.8. "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.
- 1.2.9. "Senior Management" means personnel/ officers of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

### **1.3. Interpretation**

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Words and expressions used in this Policy shall have the same meanings respectively assigned to them in the following acts, rules and regulations:

- (i) The Companies Act, 2013 or the rules framed thereon;
- (ii) RBI Act, 1934 and Rules and Regulations made thereunder, as applicable (as amended).

### 2. NRC

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#### 2.1. Role of NRC

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- (i) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;
- (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 for the directors, key managerial personnel and other employees;
- (iii) Specify the manner for effective evaluation of performance of Board, its committees, individual directors and Chief Compliance Officer;
- (iv) To scrutinize fit and proper declarations received from Directors and decide on the acceptance or otherwise of the directors, where considered necessary;
- (v) To ensure 'fit and proper' status of proposed/existing directors and that there is no conflict of interest in appointment of directors, KMPs and senior management;
- (vi) To oversee the framing, review and implementation of Compensation Policy of the Company;
- (vii) To work in close coordination with Risk Management Committee to achieve effective alignment between compensation and risks and may ensure compensation levels are supported by the need to retain earnings of the Company and the need to maintain adequate capital based on ICAAP.
- (viii) To ensure that:
  - a) 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) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c) 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.

#### 2.2. Composition of NRC

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- (a) NRC shall comprise of at least three (3) Directors, all of whom shall be non-executive Directors and at least 1/2 shall be Independent Directors.
- (b) The Board shall reconstitute the NRC as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- (c) Minimum two (2) members or one-third of the members of the Committee, whichever is greater, in attendance shall constitute the quorum for NRC meeting.

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- (d) Membership of the Committee shall be disclosed in the Annual Report.
- (e) Term of the Committee shall be continued unless terminated / revised by the Board of Directors from time to time.

### **2.3. Chairman of NRC**

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- (a) Chairman of NRC shall be an Independent Director.
- (b) Chairman 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 NRC shall be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

### **2.4. Frequency of the Meetings of the Committee**

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The meeting of the Committee shall be held at such regular intervals as may be required but not less than one meeting in a year.

### **2.5. Committee Member's Interest**

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- (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.

### **2.6. Voting at the Meeting**

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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.

### **2.7. Minutes of the Meeting**

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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 meetings.

### **3. APPLICABILITY**

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This Policy is Applicable to:

- (a) Directors (Executive, Non-Executive and Independent)
- (b) Key Managerial Personnel
- (c) Chief Risk Officer;
- (d) Senior Management Personnel;
- (e) Chief Compliance Officer;
- (f) Other employees as may be decided by NRC

### **4. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL**

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#### **4.1. Appointment criteria and qualifications**

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- (a) Subject to the applicable provisions of the Companies Act, 2013, other applicable laws, if any and GMR Group HR Policy, the Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- (b) The Committee has discretion to decide the adequacy of qualification, expertise and experience for the concerned position.
- (c) 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.
- (d) The appointment and/or continuance of the directorship of any person as a non-executive director who has attained the age of seventy five years can be done only if a special resolution is passed with suitable justification in explanatory statement.

### 4.2. Term / Tenure

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#### 4.2.1. Managing Director / Whole-time Director / Manager (Managerial Personnel)

The Company shall appoint or re-appoint any person as its Managerial Personnel 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.

#### 4.2.2. Independent Director

(a) 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.

(b) 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.

### 4.3. Familiarization Programme for Independent Directors

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The company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes.

### 4.4. Evaluation

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Subject to Schedule IV of the Companies Act, 2013 read with RBI Regulations, NRC shall specify formulation of criteria for effective evaluation of performance of the Board, its Committees and Directors.

### 4.5. Removal

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Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable laws, rules and regulations, the NRC may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP, subject to the provisions and compliance of the applicable laws, rules and regulations.

### 4.6. Retirement

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The Director, KMP and Personnel of Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy, if any, of the Company. The Board will have the discretion to retain the Director, KMP, Personnel of Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, in the interest and for the benefit of the Company.

## 5. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSONNEL, KMP AND SENIOR MANAGEMENT PERSONNEL

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### 5.1. General

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- (a) The remuneration / compensation / commission etc. to Managerial Personnel will be determined by the NRC as per Compensation Policy of the Company and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the approval of the shareholders of the Company, as applicable.
- (b) The remuneration and commission to be paid to the Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, the rules made thereunder for the time being in force as applicable.
- (c) 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 Personnel, as applicable.
- (d) Where any insurance is taken by a company on behalf of its Managing Director, Whole-time Director, Manager, Chief Executive Officer, Chief Financial Officer or Chief Risk Officer, Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust while performance of duties, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

### 5.2. Remuneration to Managerial Personnel, KMP, Senior Management and Other Employees

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Remuneration / Compensation to Managerial Personnel, KMP, Senior Management and other Employees will be fixed as per Compensation Policy of the Company including the following:

### 5.2.1. Fixed & Variable Pay

Managerial Personnel 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 Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to provident fund, pension scheme, medical expenses, etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders as applicable.

The components of the pay will include fixed pay, variable pay, other benefits, malus & claw back provisions as per Compensation Policy of the Company.

### 5.2.2. Minimum Remuneration

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 as applicable.

### 5.2.3. Provisions for excess remuneration

If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without approval required under the Act, where required, he / she shall refund such sums to the Company, within two years or such lesser period as may be allowed by 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 the Company by special resolution within two years from the date the sum becomes refundable.

5.2.4. The remuneration to Personnel of Senior Management shall be governed by the Compensation Policy and the GMR Group HR Policy.

5.2.5. The remuneration to other employees shall be governed by the GMR Group HR Policy.

## 5.3. Remuneration to Non-Executive / Independent Director

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### 5.3.1. Remuneration / Commission

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013 and the rules made thereunder.

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### **5.3.2. 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 the maximum amount, per meeting of the Board or Committee or such amount as may be prescribed under Companies Act, 2013.

The sitting fee paid to Independent Directors and Women Directors, shall not be less than the sitting fee payable to other directors.

### **5.3.3. Limit of Remuneration / Commission**

Remuneration / Commission may be paid within the monetary limit approved by shareholders, subject to the limits of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

### **5.3.4. Stock Options**

An Independent Director shall not be entitled to any stock option of the Company.

## **6. SUCCESSION PLANNING**

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1. The Company shall follow NRC Policy read with GMR Group Policy on Succession Planning to identify critical job positions and provide Succession to these positions for business continuity & Institution Building.
2. Corporate HR (HR) will initiate the process for identification of individuals by CEO/HOD/Chairman, as may be applicable, in the context of Annual Operating Plan (AOP), business and workforce plans.
3. Job specifications will be shared with CEO/HOD/Chairman to help identify potential successors.
4. Succession Planning Policy & Process will be administered by HR in partnership with the CEO/HOD/Chairman.
5. Confidentiality with regard to outcome of the Succession Planning exercise will be maintained at all times.

## **7. DISCLOSURES**

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The Company shall disclose the Policy on Nomination and Remuneration on its website and weblink, if any, shall be disclosed in the Board's report.

### **8. AMENDMENT**

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Any amendment or modification in the Companies Act, 2013 and any other applicable regulation relating to NRC shall automatically be applicable to the Company.

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1. Version 1 of this Policy was originally adopted by the Board of Directors on November 14, 2016;
  2. Version 2 of this Policy was revised and approved by the Board of Directors on March 15, 2019;
  3. Version 3 of this Policy was revised and approved by the Board of Directors on September 26, 2019;
  4. Version 4 of this Policy was revised and approved by the Board of Directors on April 29, 2022
  5. Version 5 of this Policy was revised and approved by the Board of Directors on September 8, 2025.