

# **APEEJAY SURRENDRA PARK HOTELS LIMITED**

## **Policy on Nomination, Remuneration and Board Diversity**

### **I. Introduction**

- (a) The Remuneration Policy of Apeejay Surrendra Park Hotels Limited (the ‘Company’) is designed to attract, motivate and retain talent by offering an appropriate remuneration package and also by way of providing a congenial & healthy work environment
- (b) This Remuneration Policy (hereinafter referred to as the ‘Policy’) applies to Directors, Senior Management including the Key Managerial Personnel (‘KMP’) and other employees of the Company.
- (c) The Policy has been recommended by the Nomination & Remuneration Committee (‘NRC’) and approved by the Board of Directors at their meeting held on May 27, 2014 and May 28, 2024, respectively, in supersession of all existing policies on matters covered under this policy.
- (d) The Policy is framed to comply with Section 178 of the Companies Act, 2013 (‘Act’) and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’).

### **II. Criteria for appointment of Directors, KMPs and Senior Management**

- (a) Every person considered for employment by the Company as part of Senior Management shall fulfill the following criteria :
  - (i) He/she should be a person of integrity;
  - (ii) The person should possess adequate qualification, positive attributes, expertise and experience, commensurate with the position he/she is being considered for. NRC shall have the discretion to decide whether qualification, expertise and experience possessed by the candidate are adequate for the concerned position.
  - (iii) The person should not have been convicted by a court of law of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for 6 months or more during last 5 years or imprisonment for 7 years or more at any point in time.
  - (iv) The person should possess all requisite qualifications (wherever applicable) as may be prescribed under any law, rules, regulations and Listing Regulations.
- (b) Every person proposed to be appointed as Director or Managing Director or Whole Time Director shall fulfill the following criteria:
  - (i) He/she should be person of integrity;

- (ii) The person should have requisite qualification and experience in any of the areas like technical, finance, law, public administration, management, accounting, marketing, production, human resource, etc., as may be required in the context of the business of the Company. NRC shall have the discretion to decide whether qualification, expertise and experience possessed by the candidate are adequate for the concerned position.
- (iii) The person should not have been disqualified to be a director as per the provisions of the Companies Act, 2013 & Rules made thereunder and any other law(s) & regulation for the time being in force.
- (iv) In case of appointment as Independent Director, the person shall also fulfill the criteria of independence prescribed under the Act & Rules made thereunder, and the Listing Regulations.

### **III. Remuneration structure**

#### **(a) Remuneration of Non-Executive Directors**

- (i) The non-executive directors are paid remuneration by way of sitting fee for attending meeting(s) of Board of Directors and any Committees thereof, as fixed by the Board of Directors from time to time, in accordance with the statutory provisions.
- (ii) In addition to sitting fee as mentioned in Para III(a)(i) above, presently, the Non-executive Independent Directors are also paid annual commission as approved by the Shareholders of the Company, from time to time. The exact pay-out on account of such commission will be determined by the Board of Directors (upon recommendation of NRC) each year, within the limits mentioned above.

#### **(b) Remuneration of Managing Director and Whole-time Director**

- (i) The term of office and remuneration of Managing Director and Whole-time Director are subject to approval/in accordance with the approval of the Board of Directors, shareholders and the limits laid down under the Companies Act, 2013, as applicable from time to time.
- (ii) While considering the appointment and remuneration of Managing Director and Whole-time Director, the NRC will consider the conditions of employment and compensation in the industry, merit and seniority of the person, cost of living and the paying capacity of the Company.
- (iii) Further, NRC while designing the remuneration package will consider the remuneration package to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to discharge the functions.

- (iv) NRC while considering a remuneration package must ensure a balance between fixed and performance linked variable pay reflecting short and long term performance objectives appropriate to the operations of the company and its goals.
- (v) The Managing Director and Whole-time Directors' remuneration comprises of salary, perquisites apart from retirement benefits like P.F., Gratuity, etc. as per Rules of the Company. The non-promoter Managing Director and Whole-time Director, if any, are also entitled to Employees stock options as per ESOP scheme in force and variable pay/bonus.
- (vi) The Managing Director and Whole-time Directors are entitled to customary non-monetary benefits such as company cars, furnished accommodation, health care benefits, leave travel, communication facilities, etc. Their terms of appointment may provide for severance payments in accordance with the law.

#### **(c) Remuneration of KMP & Senior Management**

Appointment, remuneration and removal of KMP & Senior Management is subject to approval of NRC and Board of Directors. Remuneration of KMP and Senior Management (as defined under Listing Regulations) will be broadly in line with the respective Policies for Managing Director and Whole Time Directors. Total remuneration may comprise of:

- (a) **A fixed base salary & special allowance/pay** - set at a level to attract and retain executives with professional and personal competence.
- (b) **Perquisites** - by way of house rent allowance/accommodation, reimbursement of medical expenses, conveyance, telephone, leave travel, etc.
- (c) **Variable Pay/Bonus** - by way of quarterly/annual pay outs depending upon the individual's performance and Company's performance towards achieving the Company's targets.
- (d) **Retirement benefits** - contribution to PF, gratuity etc. as per Company Rules.
- (e) **Motivation /Reward** - A performance appraisal is carried out annually and promotions/increments/ rewards are decided.
- (f) **Severance payments** - in accordance with terms of employment, and applicable statutory requirements, if any.

In addition to the above, KMP and Senior Management are also given stock options as per ESOP scheme in force and housing & vehicle loan/salary advance on a case to case basis and on terms & conditions to be decided by Managing Director ('MD'). In case of MD, these perquisites shall be decided by the NRC.

#### **(d) Remuneration of Other employees**

The remuneration of other employees is fixed from time to time, as per the principles outlined above and considering industry standards and cost of living. In addition to basic salary, they are also paid allowance, variable pay/bonus, perquisites, Employees stock options as per ESOP scheme in force and retirement benefits as per schemes of the Company and statutory requirements, where applicable. These employees are also eligible for housing & vehicle loan on a case to case basis as per the HR policy(ies).

#### **IV. Disclosure of remuneration**

Information on remuneration of Directors, Managing Director, Whole-time Director and KMP/Senior Management may be disclosed as per applicable statutory requirements.

#### **V. Policy on Board Diversity**

- (a) The Company recognises the competitive advantage of a Board of Directors with diversity in composition.
- (b) NRC and Board, shall consider the candidature of person(s) for appointment as director irrespective of age, race, caste, creed, religion, disability, gender, sexual orientation or marital status; and finally select the candidate for appointment to the Board, basis meritocracy in educational qualification(s), functional expertise/specialization, skill-set and industry experience.
- (c) The Board shall have at least one woman director.

#### **VI. General**

- (a) Company Secretary is authorized to amend any provisions of this Policy to give effect to any change/ amendment notified by Ministry of Corporate Affairs, Securities and Exchange Board of India or any other regulatory authority, from time to time. Such change(s)/ amended policy shall be placed before the Committee and Board for noting and ratification.
- (b) In case any provision of this Policy is contrary to or inconsistent with the provisions of the Act, SEBI Listing Regulations and/ or any other applicable law for time being in force, the latter shall prevail.
- (c) Words & expressions used in this Policy, shall have the same meaning as ascribed to them in Listing Regulations, SEBI Act, Act, rules & regulations made thereunder and/ or any other law applicable to the Company for time being in force.

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