



AJMERA REALTY & INFRA INDIA LIMITED

Regd Office: Citi Mall, 2nd Floor, Andheri Link Road, Andheri (W) Mumbai - 400 053

NOMINATION AND REMUNERATION POLICY

Version -2 of 2019
Version-Approved by the Board of Directors
Version approved on :14 th November,2014
Last Modified NIL
Effective Date: 14 th November,2014
Next Review:Once in three years



1. INTRODUCTION

In terms of Section 178 of the of the Companies Act, 2013 read with the applicable rules made thereunder and the Listing Agreement entered into by the Company with the Stock Exchanges, as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors on November 14, 2014.

2. OBJECTIVE

This Policy is framed with the following objectives:

1. To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
2. Performance evaluation of members of the Board and Independent Directors and provide necessary report to the Board for further evaluation
3. To attract, retain and motivate the Senior Management including its Key Managerial Personnel, evaluation of their performance and provide necessary report to the Board for further evaluation.
4. The relationship of remuneration with performance is clear and meets appropriate performance benchmarks.
5. To recommend the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
6. To promote and develop a high performance workforce in line with the Company strategy.
7. To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Director (Executive & Non-Executive/ Independent/Nominee) and persons who may be appointed in Senior Management, Key Managerial Personnel and determine their remuneration.
8. To determine the remuneration based on the Company's size and financial position and practices in the industry.

3. DEFINITIONS

- 3.1 **"Act"** means Companies Act, 2013 and rules framed thereunder as amended from time to time.
- 3.2 **"Board of Directors"** or **"Board"**, in relation to the company, means the collective body of the Directors of the Company.



- 3.3 **“Committee”** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- 3.4 **“Company”** means “Ajmera Realty & Infra India Limited”.
- 3.5 **“Managerial Personnel”** means Managerial Personnel or Persons, applicable under section 196 and other applicable provisions of the Companies Act, 2013.
- 3.6 **“Policy”** or **“This policy”** means Nomination and Remuneration Policy.
- 3.7 **“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.
- 3.8 **“Independent Director”** means a Director referred to in Section 149 (6) of the Companies Act, 2013.
- 3.9 **“Key Managerial Personnel”** (KMP) means
- a. The Chief Executive Officer or the Managing Director or the Manager and in their absence the Whole-time Director;
 - B. The Company Secretary and
 - C. The Chief Financial Officer
- 3.10 **“Senior Management”** mean personnel of the company who are members of its core management team excluding Board of Directors.

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

3. APPLICABILITY

This policy is applicable to all Directors, Key Managerial Personnel(KMP), Senior Management and other employees of the Company.



4. ACCOUNTABILITY

- 4.1 The Board is ultimately responsible for the appointment of Directors and Key Managerial Personnel of the Company.
- 4.2 The Board has delegated responsibility for assessing and selecting the candidates for the role of Directors, Key Managerial Personnel and the Senior Management of the Company to the Nomination and Remuneration Committee which makes recommendations & nominations to the Board.

5. NOMINATION AND REMUNERATION COMMITTEE

This Policy envisages the role and responsibility of the Independent Directors, Constitution of the Nomination and Remuneration Committee, term of appointment of Managerial Personnel, Directors, KMPs, Senior Management, remuneration of the Managerial Personnel, KMPs, Senior Management, Independent Directors, Stock Options to Managerial Personnel, KMPs, Senior Management, other employees, evaluation of Managerial Personnel, KMPs, Senior Management, Independent Directors, etc.

5.1 CONSTITUTION OF COMMITTEE

- 5.1.1 The Nomination and Remuneration Committee will consist of three or more nonexecutive directors, out of which at least one-half shall be independent director(s), provided that Chairperson of the Company may be appointed as a member of this Committee but shall not chair such Committee.
- 5.1.2 The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirements including the Listing Agreement.

5.2 MEMBERSHIP OF COMMITTEE

- A) The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Term of the Committee shall be continued unless terminated by the Board of Directors.



5.3 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 be a Chairman of 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 meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

5.4 COMMITTEE MEMBERS' INTEREST

- 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.

5.5 SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

5.6 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.

5.7 FREQUENCY OF THE MEETING

The meeting of the Committee shall be held at such regular intervals as may be required.

5.8 MINUTES OF COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairperson of the said meeting or the Chairperson of the next succeeding meeting. Minutes of



the Committee meeting will be circulated at the subsequent Board meeting for noting.

6. NOMINATION DUTIES

The duties of the Committee in relation to nomination matters include:

- a) Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
 - b) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
 - c) Identifying and recommending Directors who are to be put forward for retirement by rotation.
 - d) Determining the appropriate size, diversity and composition of the Board;
 - e) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
 - f) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
 - g) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
 - h) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- I
- i) Delegating any of its powers to one or more of its members or the Secretary of the Committee;
 - j) Recommend any necessary changes to the Board.
 - k) Considering any other matters as may be requested by the Board; and

7. REMUNERATION DUTIES

The duties of the Committee in relation to remuneration matters include:

- a) to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- b) to approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between



fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.

- c) to delegate any of its powers to one or more of its members or the Secretary of the Committee

8. APPOINTMENT OF MANAGERIAL PERSONNEL, DIRECTOR, KMP AND SENIOR MANAGEMENT

- a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Managerial Personnel, Director or KMP or Senior Management and recommend to the Board his /her appointment.
- b. 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 is sufficient / satisfactory for the concerned position.
- c. Appointment of Independent Directors is subject compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules made thereunder
- d. The Company shall not appoint or continue the employment of any person as Whole-time Director 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.

9. TERM/TENURE

9.1 MANAGING DIRECTOR/ WHOLE TIME DIRECTOR

The Company shall appoint or re-appoint any person as its Executive Director, Managing Director or Executive Director 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.

9.2 INDEPENDENT DIRECTOR

Subject to the provisions of the applicable Regulations, 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(s) 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. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

The maximum tenure of Independent Directors shall also be in accordance with the Companies Act, 2013 and clarifications/ circulars issued by the Ministry of Corporate Affairs, in this regard, from time to time.

10. RETIREMENT

Any Director other than the Independent Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing 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.

11. DISQUALIFICATION FOR APPOINTMENT OF DIRECTORS

A person shall not be eligible for appointment as a director of a company, if –

- (a) he is of unsound mind and stands so declared by a competent court;
- (b) he is an undischarged insolvent;
- (c) he has applied to be adjudicated as an insolvent and his application is pending;
- (d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or



- more, he shall not be eligible to be appointed as a director in any company;
- (e) an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;
 - (f) he has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;
 - (g) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or
 - (h) he has not complied with sub-section (3) of section 152.

(2) No person who is or has been a director of a company which –

- (a) has not filed financial statements or annual returns for any continuous period of three financial years; or
- (b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.

11. REMOVAL

The Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

12. REMUNERATION TO WHOLE-TIME / EXECUTIVE / MANAGING DIRECTOR

12.1. REMUNERATION

The Whole-time Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees 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 and Central Government, wherever required.



12.2. MINIMUM REMUNERATION

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of the Companies Act, 2013 and if it is not able to comply with such provisions, then with the previous approval of the Central Government.

12.3. PROVISIONS FOR EXCESS REMUNERATION

If any Whole-time Director 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 the prior sanction of the Central Government, 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 permitted by the Central Government.

13. REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR

13.1 SITTING FEES

The Non-executive Independent Directors of the Company shall be paid sitting fees as per the applicable Regulations and no sitting fee is paid to Non-executive Non Independent Directors. The quantum of sitting fees will be determined as per the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors of the Company. Further the boarding and lodging expenses shall be reimbursed to the Directors based out of Mumbai.

13.2 PROFIT LINKED COMMISSION

Profit Linked Commission may be paid within the monetary limit approved by the shareholders of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Regulations.

13.3 STOCK OPTIONS

Pursuant to the provisions of the Companies Act 2013, Managerial Personnel, KMP, Senior Management and an employee shall be entitled to any Employee Stock Options (ESOPs) of the Company.



14. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS

- a) 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 programs.
- b) The details of such familiarization programs shall be disclosed on the Company's website and a web link thereto shall also be given in the Annual Report.

15. EVALUATION

The Committee shall carry out evaluation of performance of every Managerial Personnel, Director, KMP and Senior Management on yearly basis.

15.1 Performance Framework

With the objective of building a high performance culture at the Company, PACE – Performance, Appreciation & Competency Evaluation, a new PMS system has been introduced. This system also ensures the following:

- Align organizational and individual Goals (KRA)
- Provide data for making critical decisions related to the employees
- Drive the right employee behaviors
- Support employee development

The goals are derived from the company's long term vision which is translated to medium term plans and then an Annual Business Plan. These goals are cascaded to the functional heads and from them, to their reporting managers. This process is carried on right up to the lower levels. In this manner, the company's annual business goals are cascaded to the lower levels of the organization. Similarly, the senior management's performance is also contingent on their leadership, guidance and also the achievement of the goals of their teams.

The employees are rated on the basis of achievements of these goals and also a defined competency framework. The weightages of these depend on the level within the organization.

15.2 Performance Linkage with Compensation

Once the performance scores are evaluated for the employees, the compensation payout is a function of the level of the employee, the



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~~organization and individual performance. The variable payout would be as~~
per their individual ratings and would form a part of their total CTC.

16. AMENDMENT TO THE POLICY:

The Board of Directors on its own and /or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), Clarification, circular(s) etc.

17. DISCLOSURE:

The details of this Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Board's Report therein or alternatively the same may be put up on the Company's website and reference drawn thereto in the Annual Report.



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**FIRST AMENDED NOMINATION AND REMUNERATION
POLICY**

Version -2 of 2019
Version-Approved by the Board of Directors
Version approved on :30 th March,2019
Last Modified 14 th November,2014
Effective Date: 14 th November,2014
Next Review:Once in three years



4. INTRODUCTION

In terms of Section 178 of the of the Companies Act, 2013 read with the applicable rules made there under and the SEBI (LODR)Regulations,2015 as may be amended from time to time, this first amendment to original policy on Nomination and Remuneration Policy be read with Original policy executed dated 14th November,2014 .

Nomination and Remuneration Policy of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors on November 14, 2014,which is modified by passing circular resolution on 30th March,2019.

5. The original policy shall remain valid and subsisting except in so far as is modified in this policy w.e.f 30th March,2019
6. The following clauses shall be read in substitution of existing clauses in Original Policy:

12.2 MINIMUM REMUNERATION

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Directors /Whole-time Director in accordance with the provisions of the Companies Act, 2013 as may be amended from time to time.

12.3 PROVISIONS FOR EXCESS REMUNERATION

If any Whole-time Director/Managing Director 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 the prior sanction of any authority or Shareholder , wherever 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 permitted statutorily.

**15.3 Evaluation Process:**

Sr.No	Particulars
1	HR to distribute Questionnaires to all directors on board
2	Directors to fill in Questionnaires, as under: Board Evaluation Questionnaire for by-gone FY and Goal Sheet for next FY to be filled in by all the Directors (as per Annexure to be provided by HR) NEDs and IDs fill in Self Assessment Questionnaire for by-gone FY and Goal Sheet for next FY and Board Chair . Board Committee Members will fill in Board Committee Questionnaire
3	Directors to send Questionnaires/Goal Sheet duly filled up, to the HR in a sealed envelope.
4	Chairman of Nomination Remuneration Committee (“NRC”) would be responsible for conducting one-to-one discussions with directors to seek feedback on Board and other directors and also collect information to be discussed at the NRC meeting, Annual meeting of Independent Director (“ID”) [“Annual ID meeting”] and Board meeting. (This could be done at a meeting or by way of a circular).
5	HR to send all Questionnaires /Goal Sheet received to Board Chair/NRC Chair
6	Secretarial Dept to support and provide data / consolidate all inputs for NRC (if required)
7	Annual ID Meeting Review: <ul style="list-style-type: none">• Board as a whole, Chairman and NEDs;• Assess quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties)
8	Take note of IDs meet and their review.
9	Each Committee Chair shall fill their self evaluation forms and discuss with the committee Chair.
10	NRC meeting: <ul style="list-style-type: none">➤ To review performance of:<ul style="list-style-type: none">• Board as a whole• IDs• NEDs• Board Chair• Manager➤ Recommend remuneration payable to employees (including KMPs & senior officers)for next FY➤ Recommend remuneration payable to directors, if any (other than Manager)➤ Recommend remuneration payable to Manager for FY 2015-16.
11	Directors to submit Goal Sheet for FY 2015-16
12	Board Meeting: Review of:



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	(a) Performance of all directors (including IDs) (b) NRC recommendation for remuneration payable to directors (c) Performance of Board as a whole (d) Performance of Committee Presentation on significant highlights/ learnings by Board Chair.
13	Feed-back to directors, on an individual basis, as appropriate and, if required
14	Board Minutes to record the process
