

## **ECO HOTELS AND RESORTS LIMITED**

<b>Name of the policy</b>	Policy on Remuneration of Directors , Key Managerial Personnel and Senior Management Employees
<b>Applicable Statutes</b>	Section 134(3)(e) and 178 (3) of Co. Act 2013 of the Companies Act 2013.
<b>Approved By and Date of Approval</b>	The Board – August 29, 2023
<b>Owner of the policy</b>	Company Secretary and Compliance Officer
<b>Version</b>	Version 0
<b>Review Frequency</b>	Yearly

## **1. INTRODUCTION & PURPOSE**

Eco Hotels and Resorts Limited (EHRL) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:

- I. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- II. Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- III. Ensuring that remuneration 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.

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of the Company is required to ensure that Shareholders remain informed and confident in the management of the Company. The Company also understands the importance of attracting and retaining competent individuals from directors right through to support staff.

## **2. Scope**

This Policy sets out the guiding principles for the Human Resources, Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

## **3. DEFINITIONS**

“**Company**” means “Eco Hotels and Resorts Limited ” or also referred to as “EHRL”.

“**Committee**” or “**NRC**” means “Nomination and Remuneration Committee” of the Board of the Company, as may be reconstituted by the Board and as may be subsist from time to time.

“**Director**” means person appointed as Director on the Board of the Company.

“**Key Managerial Personnel**” or “**KMP**” means person as defined in Section 2(51) of the Companies Act, 2013.

## **4. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee means the committee constituted by EHRL's Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of

the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

#### **5. MONITORING AND IMPLEMENTATION OF THIS POLICY**

The Committee implements and monitors this Policy. The Committee may take assistance of HR Head, HR team and Senior Management Personnel as may be necessary in respect to implement and review of this Policy. The Committee may seek attendance of Department Heads and obtain relevant data, details and analysis as the Committee may think necessary. The Committee may also consult the experts’ advice wherever they deem necessary in discharge of their duty.

#### **6. REMUNERATION OF NON-EXECUTIVE DIRECTORS**

- I. The Board on the recommendation of the NRC Committee shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders
- II. Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof. The Non-Executive Directors shall also be entitled to profit related commission in addition to the sitting fees, subject to approval from the shareholders.
- III. The distribution of Commission amongst the NEDs shall be placed before the Board. The Commission is distributed on the basis of their attendance and contribution at the Board and certain Committee Meetings, as well as time spent on operational matters other than at the meetings.
- IV. The Company may also reimburse travelling and other expenses to outstation Directors for attending meetings.

#### **7. REMUNERATION OF EXECUTIVE DIRECTORS AND KEY MANAGERIAL PERSONNEL.**

- I. The Board, on the recommendation of the Nomination and Remuneration (NRC) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.
- II. The Board, on the recommendation of the NRC Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- III. The remuneration structure to the Executive Directors and Key Managerial Personnel shall include the following components:
  - (i) Basic Pay
  - (ii) Perquisites and Allowances

- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)
- (v) Retiral benefits
- (vi) Annual Performance Bonus
- (vii) Facilities

The Annual Plan and Objectives for Executive Directors and Senior Executives (Executive Committee) shall be reviewed by the NRC Committee and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

#### **8. REMUNERATION IN CASE OF NO PROFIT OR INADEQUATE PROFIT**

In the event there be no profit or inadequate profit in any financial year, remuneration to Executive Directors, Non-Executive Directors will be as per the appointment terms and determined by the Board, subject to applicable provision of the Companies Act 2013 / applicable law.

#### **9. PECUNIARY RELATIONSHIPS OR TRANSACTIONS**

The Independent Directors of the Company shall not have any material pecuniary relationships or transactions with the Company or its Holding Company, subsidiary Companies, Associate Companies except receiving Directors' Remuneration in a manner prescribed in Section 197 of the Companies Act, 2013.

#### **10. REMUNERATION OF OTHER EMPLOYEES**

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skillsets, seniority, experience and prevailing remuneration levels for equivalent jobs.

Accordingly, the Committee will review the remuneration of the other employees annually at the time of performance appraisal. Considering the outcome of performance appraisal done by HR and management, as per prevailing process (considering above broad parameters) and practice of the Company, the Committee may recommend about increase, restructure and/or other suggestion in respect to remuneration of Senior Management Personnel as it thinks appropriate.

#### **11. AMENDMENTS IN THE POLICY**

This Policy may be amended or substituted by the Committee as circumstances warrant, only by the Nomination and Remuneration Committee in consultation with the Board of Directors.