



RDB REAL ESTATE CONSTRUCTIONS LIMITED

REMUNERATION POLICY FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP), MEMBERS OF SENIOR MANAGEMENT AND OTHER EMPLOYEES

1. OBJECTIVE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013, the Rules made thereunder and the Securities and Exchange Board of India "SEBI" (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Key Objectives of the Committee would be:

- 1.1 To guide / recommend to the Board appointment and removal of Directors, KMP and Senior Management of the Company.
- 1.2 To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board the Remuneration payable to the Directors, KMP, Senior Management and other Employees of the Company.
- 1.3 To evaluate the performance of every member of the Board / KMP / member of Senior Management and provide necessary report to the Board for their further performance evaluation by the Board.
- 1.4 To recommend reward(s) payable to the KMP and Senior Management linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 1.5 To attract, retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 1.6 To devise a policy on Board diversity.
- 1.7 To do such other acts / deeds as may be prescribed by the statutory authorities.

2. DEFINITIONS

- 2.1 "**Act**" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- 2.2 "**Board**" means Board of Directors of the Company, as constituted from time to time.
- 2.3 "**Committee**" means the Nomination and Remuneration Committee of the Board.
- 2.4 "**Directors**" mean Directors of the Company.
- 2.5 "**Key Managerial Personnel**" (KMP) means
 - i. Chief Executive Officer or the Managing Director or the Manager;
 - ii. Whole-time director;
 - iii. Chief Financial Officer;
 - iv. Company Secretary; and
 - v. such other officer as may be prescribed.
- 2.6 "**Senior Management**" means officers/personnel of the Company who are members of its core management team excluding the Board of Directors and shall comprise of members of management one level below chief executive officer/managing director/whole-time director/manager (including chief executive officer/manager, if not part of the Board) and persons identified and designated as key managerial personnel,

other than the board of directors, by the listed entity.

- 2.7 **“SEBI (LODR) Regulations”** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

3. ROLE OF COMMITTEE

The Committee shall:

- 3.1 Identify persons who are qualified to become directors and who may be appointed in senior management of the Company including KMP in accordance with the criteria laid down in this policy.
- 3.2 Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to remuneration of the Directors, KMP, Senior Management and other employees of the Company.
- 3.3 Formulation of criteria for evaluation of performance of independent directors and the Board.
- 3.4 Devising a policy on Board diversity.
- 3.5 To lay down or amend Policy for appointment and removal of Director, KMP and Senior Management Personnel.
- 3.6 Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- 3.7 To ensure 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.
- 3.8 To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- 3.9 To ensure that the remuneration to Directors, KMP 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.
- 3.10 To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

3.2.1. Appointment criteria and qualifications

- a) 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 and while doing so, take note of the following:-
 - i. The 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.
 - ii. The Company shall not appoint or employ at the same time a managing director and a manager.
 - iii. The Company shall not appoint or continue the employment of any person as Managing Director / Manager / Whole-time Director 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 or term of

such 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.

- iv. At the time of appointment of a Director it should be ensured that number of Boards on which such Director serves as a Director, including an alternate directorship, is restricted to twenty companies (including not more than ten public companies).
- v. An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business, and meets all criteria specified in Section 149(6) of the Companies Act, 2013 and rules made thereunder and/or as specified in Regulation 25 of the SEBI (LODR) Regulations.
- vi. Any vacancy in the office of independent director shall be filled by appointment of a new independent director within the prescribed period under the Act and/or SEBI (LODR) Regulations.

Provided that where the company fulfills the requirement of independent directors in its Board even without filling the vacancy, the requirement of replacement by / appointment of a new independent director shall not apply.

3.2.2. Term / Tenure

a) Managing Director / Whole-time Director / Manager:

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director or Manager for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry his term.

b) Independent Director:

- i. An Independent Director shall hold office for a term up to five consecutive years 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.
- ii. 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.

3.2.3. Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (annually).

3.2.4. Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, 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 and compliance of the Act and the rules made thereunder.

3.2.5. Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing 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 the retirement age, for the benefit of the Company.

3.3. Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

3.3.1. General:

- a. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and the Central Government, if required.
- b. The remuneration and commission to be paid to the Whole-time / Executive / Managing Director / Key Managerial Personnel shall be in accordance with the percentage/slabs/ conditions laid down in the Act and/or SEBI (LODR) Regulations.
- 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 Whole-time Director / Managing Director / Manager.
- d. Where any insurance is taken by the Company on behalf of its Managing Director, Whole-time Director, Manager, 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.

3.3.2. Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration are governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards.

The remuneration determined for MD/WTDs are approved by the Board of Directors and members at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V. As a policy, the Executive Directors are neither paid sitting fee nor any commission.

3.3.3. Remuneration to Non- Executive / Independent Directors:

The Non- Executive Director and Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

3.4. Policy relating to remuneration and loans / advances to employees of the Company

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

3.4.2 Loans / advances to the employees shall be granted in accordance with their conditions of service and shall be as per the prevailing policy of the Company.

4. CHAIRPERSON

4.1 The members of the Committee present at the meeting shall choose one amongst them to act as Chairperson, who shall be an independent director.

4.2 Chairperson of the Company may be appointed as a member of the Committee but shall not Chair the Committee.

4.3 Chairperson of the Nomination and Remuneration Committee meeting or, in his absence, any other member of the committee authorized by him in this behalf shall attend the general meetings of the Company.

5. FREQUENCY OF MEETINGS

The meeting of the Committee shall be held at least once in a financial year or such regular intervals as may be required and/or as per the applicable provisions of the Act and/or SEBI (LODR) Regulations.

6. COMMITTEE MEMBERS' INTERESTS

6.1 A member of the Committee shall not be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

6.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

7. VOTING

7.1 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.

7.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

8. MINUTES OF COMMITTEE MEETING

Minutes of Proceedings of all meetings must be prepared 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 meeting.

9. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

The Board has the power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement.

At present, the Nomination and Remuneration Committee comprises of following Directors:

- i. Mr. Sharad Kumar Bachhawat (Independent Director)
- ii. Mr. Abhay Doshi (Independent Director)
- iii. Mr. Ravi Prakash Pincha (Non-Independent Director)

10. AMENDMENT

Any change in the Policy shall be approved by the Board of Directors or any of its Committees (as may be authorized by the Board of Directors in this regard). The Board of Directors or any of its authorized Committees shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board or its Committee in this respect shall be final and binding. Any subsequent amendment / modification in the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.

11. EFFECTIVE

This Policy is effective with effect from the date of listing of Equity Shares of the Company on the stock exchange(s).