

THE INDIAN HOTELS COMPANY LIMITED
Nomination and Remuneration Committee Charter

1. Principles and Objectives

- 1.1. The Nomination and Remuneration Committee ("committee") of the Board of directors ("Board") of **The Indian Hotels Company Limited** ("company") will report to the Board and shall support the Board in matters related to:
- Setup and composition of the Board, its committees and the leadership team of the company comprising Key Managerial Personnel ("KMP" as defined by the Companies Act, 2013) and Senior Management (as defined by the committee).
 - Evaluation of performance of the Board, its committees and individual directors.
 - Remuneration for directors, KMP'S, Senior Management and other employees.
 - Oversight of the familiarisation programme of directors.
 - Oversight of the HR philosophy, HR and People strategy and key HR practices.

2. Composition

- 2.1. The committee shall comprise three or more non-executive directors out of which not less than one-half shall be independent directors.
- 2.2. The Chairman of the Board (whether executive or non-executive) may be appointed as a member of the committee but shall not chair the committee.
- 2.3. The Chairman of the committee shall be an independent director, from amongst the members of the committee.
- 2.4. The Head of Human Resources of the company shall assist the committee and may attend the meetings of the committee as per requirement, on invitation.
- 2.5. The Company Secretary of the company shall act as the secretary to the committee and will be responsible for taking adequate minutes of the proceedings and reporting on actions taken in the subsequent meeting.
- 2.6. Representatives from Group Human Resources shall attend the meetings of the committee as per requirement on invitation.

3. Meetings

- 3.1. The committee may establish an Annual Work Plan ("AWP") for each year to ensure that all relevant matters are covered by the agendas of the meetings planned for the year.
- 3.2. The committee shall meet as often as needed to discuss matters. It is however recommended that the committee meet at least 3 to 4 times during the year.
- 3.3. The quorum for a meeting of the Committee shall be either two members or one third of the members of the Committee, whichever is greater, including at least one independent director in attendance
- 3.4. The Chairperson of the Committee shall be present at the General Meetings, to answer the queries of security holders. However, it shall be up to the Chairperson to decide who shall answer the queries

4. Authority and Power

The committee shall have the power to:

- Investigate any matter within the scope of this charter or as referred to it by the Board.
- Seek any information or explanation from any employee or director of the company.
- Invite such executives, as it considers appropriate to be present at the meetings of the committee.
- Ask for any records or documents of the company.

The committee may also engage (at the expense of the company) independent consultants and other advisors and seek their advice on matters related to discharge of their responsibilities.

5. Responsibilities

The responsibilities of the committee shall include the following:

5.1. **Board Composition and Succession related:**

- Recommend to the Board the setup and composition of the Board. This shall include *“Formulation of the criteria for determining qualifications, positive attributes and independence of a director”*. This also includes periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Support the Board in matters related to the setup, review and refresh of the committees.
- Devise a policy on Board diversity.
- Identify persons who are qualified to become directors and who may be appointed in KMPs and Senior Management in accordance with the criteria, and recommend to the Board of directors their appointment or reappointment and removal. The committee shall consider and recommend the appointment of the Chief Financial Officer (“CFO”) to the Audit Committee and the Board
- Recommend to the Board 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

5.2. **Evaluation related:**

- Support the Board and independent directors, as may be required, in evaluation of the performance of the Board, its committees and individual directors. This shall include *“Formulation of criteria for evaluation of Independent Directors and the Board.”*
- Oversee the performance review process for the KMP’s and Senior Management with the view that there is an appropriate cascading of goals and targets across the company.

5.3. **Remuneration related:**

- Recommend the remuneration policy for the directors, KMP’S, Senior Management and other employees. This includes review and recommendation of the design of annual and long term incentive plan (includes deferred payment plans, equity plans, etc.) for managing director (“MD”)/executive directors (“ED”), KMP’s and the Senior Management. While formulating such a policy the committee shall 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;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to directors, KMP’s 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
- On an annual basis, recommend to the Board the remuneration payable to directors, KMP’S and Senior Management of the company. This includes review and recommendation of actual payment of annual and long term incentives for MD/ EDs, KMP’s and Senior Management.

- Review matters related to remuneration and benefits payable upon retirement and severance to MD/ EDs, KMP's and Senior Management.
- Review matters related to voluntary retirement and early separation schemes for the company.
- Provide guidelines for remuneration of directors on material subsidiaries¹.
- Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of Board, KMP'S and Senior Management.

This includes review and approval of any information related to directors, KMP, Senior Management and their remuneration to be presented in the annual report or other external communications (statutory or otherwise).

5.4. Board Development related:

- Oversee familiarization programmes for directors.

5.5. Review of HR Strategy, Philosophy and Practices:

- Review HR and People strategy and its alignment with the business strategy periodically or when a change is made to either.
- Review the efficacy of HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for Board, KMP's and Senior Management).

5.6. Other functions:

- Perform other activities related to the charter as requested by the Board from time to time.

6. Reporting

The committee will periodically report to the Board on various matters that it has considered.

In the matters where the Board does not accept any recommendation of the Committee, which is mandatorily required to be approved by the Board, the fact of the same to be disclosed in the Corporate Governance Report of the relevant financial year, along with reasons thereof

7. Evaluation

The committee shall undergo an annual self-evaluation of its performance and report the result to the Board. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfilment of key responsibilities,
- Adequacy of committee composition,
- Effectiveness of meetings,
- Committee dynamics,
- Quality of relationship of the committee with Board and management.

8. Subsidiary Companies

Subsidiary companies of the company shall also form Nomination and Remuneration Committee, as applicable under law. The committee shall share with subsidiary companies of the company such policies and practices as would enable the Boards and the NRCs of those companies to harmonize their policies and practices with those of the parent company. If required, it shall also provide any assistance that such subsidiaries may require.

9. Compensation of the Committee

Non-executive Director of the Committees may receive such sitting fees and/or commission, if any, for their services as Committee members as may be determined by the Board in its sole discretion.

10. Review of Charter

The adequacy of this charter shall be reviewed and reassessed by the committee, periodically and appropriate recommendations shall be made to the Board to update the charter based on the changes that may be brought about due to changes in any regulatory framework or otherwise.

In this document, the term “material subsidiary” shall have the same meaning assigned to this phrase under the applicable law.

* For better clarity the definition of “Senior Management” as per Regulation 16(1)(d) of SEBI Listing Regulations is currently as under:

“senior management” shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise 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.

Amended on: April 30, 2019