



## NOMINATION AND REMUNERATION POLICY OF ANSAL HOUSING LIMITED

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### 1. PREAMBLE

The Board of Directors of Ansal Housing Limited (“the Company”) formulated the “Nomination and Remuneration Policy” at its meeting held on 28<sup>th</sup> May, 2014, under the provisions of Companies Act, 2013 (“Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“Listing Regulations”) and other applicable laws (hereinafter referred to as the “Applicable Laws”) which were further amended by the Board at its meeting held on 09<sup>th</sup> August, 2018 pursuant to recommendations of Nomination and Remuneration Committee (“NRC”) of the Company.

### 2. DEFINITIONS

- a) “**Act**” means the Companies Act, 2013 and rules framed thereunder, as amended from time to time.
- b) “**Board**” means Board of Directors of the Company.
- c) “**Company**” means Ansal Housing Limited.
- d) “**Committee**” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.
- e) “**Directors**” mean Directors of the Company.
- f) “**Key Managerial Personnel**” means in relation to a Company as defined sub-section 51 of Section 2 of the Companies Act, 2013, means and includes:
  - Chief Executive Officer or the Managing Director or the Manager;
  - Whole Time Director;
  - Chief Financial Officer;
  - Company Secretary; and
  - Such other officer(s) as may be prescribed.
- g) “**Senior Management**” means officers/personnel of the Company includes:
  - i. Key Managerial Personnel
  - ii. One level below the Chief Executive Officer and Managing Director who are members of the core management and functional heads
  - iii. Any other officer as determined by the NRC and the Board from time to time.
- h) “**Independent Director**” means a director referred to in Section 149(6) of the Act.

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

### 3. OBJECTIVE AND PURPOSE

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Act read along with the applicable rules thereto and Regulation 19 read with Part D of Schedule II of SEBI Listing Regulations. The Key Objectives of the Committee would be:

- a) Identifying and nominating suitable candidates for the Board's approval to fill in the vacancies which arise in the Board of the company from time to time.
- b) determining qualifications, positive attributes and independence for appointment of a Director (Executive/Non-Executive/Independent) and recommend to the Board a policy relating to the remuneration for the Directors, KMP and SMP;
- c) Formulating the criteria for the evaluation of the performance of all the Directors on the Board and the Committees.
- d) Assisting the Board in ensuring the Nomination Process is in line with the Company's Board Diversity Policy.

#### **4. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE**

The Board has constituted the "Nomination and Remuneration Committee" of the Board. This is in line with the requirements under the Act & SEBI Listing Regulations. The Board has the authority to reconstitute this Committee from time to time.

#### **5. ROLE OF COMMITTEE**

##### **Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee**

The following matters shall be dealt by the Committee:

- i. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- ii. for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates;
- iii. formulation of criteria for evaluation of performance of independent directors and the board of directors.
- iv. devising a policy on diversity of board of directors.
- v. Identify persons who are qualified to become Directors, KMP and who may be appointed Senior Management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal.
- vi. 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.
- vii. recommend to the board, all remuneration, in whatever form, payable to senior

management.

- viii. To develop a succession plan for appointment of Directors and Senior Management Personnel and review such plan periodically.
- ix. To carry out any other responsibilities and duties delegated by the Board from time to time.

## **6. POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

### **a) Appointment criteria and qualifications**

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP and Senior Management level and recommend to the Board his / her appointment.
- ii. 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.
- iii. In addition to the above, the appointment of directors including managing director(s), whole time director(s), non-executive director(s) and independent director(s) shall be in accordance with the provisions of the Act, including schedule IV and V of the Act and the rules made thereunder and the provisions of the Listing Regulations.
- iv. The Company shall not appoint or continue the employment of any person as Managing Director/ 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.
- v. The Committee after being satisfied that the person who is intended to be appointed as Independent Director meets the criteria laid down in the Section 149(6) and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **b) Term/Tenure**

#### **i. Managing Director/Whole-time Director:**

Term of appointment or re-appointment of Managing Director or CEO/WTD not to exceed five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

#### **ii. Independent Director:**

- 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 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 re-appointment in the Company as Independent Director after the expiry of three years from the date of cessation of the previous directorship as such in the Company. The Committee shall take into consideration all the applicable provisions of the Companies Act, 2013 and the relevant rules, as existing or as may be amended from time to time.

**c) 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 subject to the provisions and compliance of the said Act, rules and regulations.

**d) Retirement**

The Director, KMP and Senior Management 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 in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

**7. EVALUATION**

Performance of Individual Directors of the Company (including the Chairperson and Independent Directors) shall be evaluated, on an annual basis, by:

- (i) the Board as a whole (excluding the Director being evaluated); and
- (ii) the Nomination and Remuneration Committee

In carrying out its evaluation, the Nomination and Remuneration Committee and/ or Board, shall keep in mind the evaluation parameters set out from time to time with respect to all Directors including Independent Directors and Chairperson as per the structure of performance evaluation (Annexure I, II, III, IV and V).

The Performance evaluation of the Board and its Committees shall also be carried out on an annual basis by the Board as per the structure of performance evaluation (Annexure I, II, III, IV and V).

Copies of the evaluation forms will be distributed to each board member. Board members shall complete the forms and return them to the Chairman of the board or Company Secretary, as may be informed. The Chairman or the Company Secretary will tabulate the forms and prepare a tabulated report for evaluation.

The individually completed forms will be preserved by the Company Secretary and the tabulated report would be presented to the Board and NRC for evaluation.

Apart from the above, the NRC will carry out an evaluation of every director's performance. For this purpose, the NRC would review the Tabulated Report. The NRC would provide feedback to the Board on its evaluation of every director's performance. Further, the NRC shall determine whether to extend or continue the term of appointment of each Independent Director, on the basis of the report of performance evaluation of Independent Directors.

Evaluation of performance shall be carried out at least once a year.

The Independent Director should meet at least once in a year to:

- a) review the performance of non-independent directors and the board of directors as a whole;
- b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;
- c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

The evaluation criteria for the Board, its Committees and Individual Directors including CEO, Independent Directors & Non-Independent Directors may be changed at any time by the Board.

## **8. REMUNERATION TO MANAGING DIRECTOR/WHOLE TIME DIRECTOR, KMP AND SENIOR MANAGEMENT**

### **Remuneration to MD/CEO/WTD**

- i. The remuneration to be paid to Managing Director, Whole Time Director, CEO at the time of his/her appointment shall be recommended by the NRC and approved by the Board of Directors and the shareholders of the Company and Central Government, wherever required.
- ii. The remuneration and commission to be paid to the Managing Director / Whole-time Director/ CEO shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.
- iii. 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 Managing Director / Whole-time Director.
- iv. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.
- v. If any Managing Director / Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act 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.

### **Remuneration to Non-Executive/Independent Directors**

- i. The Board on the recommendation of the NRC may pay remuneration 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 as may be decided by the Board of Directors from time to time for attending the Meeting of the Board and Committees of the Board to which they are appointed from time to time thereof. Provided that the amount of such fees shall not exceed the limits prescribed under Companies Act, 2013.

- iii. The Commission as may be recommended by NRC and subsequently approved by the Board of Directors and wherever required, approval of the shareholders of the Company shall be obtained.
- iv. The Non-Executive Directors shall be eligible for remuneration of such professional services rendered if in the opinion of the NRC, the NED possesses the requisite qualification for rendering such professional services.
- v. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

#### **Remuneration to KMP & SM**

- i. The remuneration structure for Key Managerial Personnel and Senior Management shall be decided taking into account factors such as level of experience, qualification, performance and suitability which shall be reasonable and sufficient to attract, retain and motivate them which consist of fixed pay and incentive pay, in compliance with the provisions of the Act and in accordance with the Company's Policy.
- ii. The remuneration to be paid to the KMP and SM, at the time of his/her appointment shall be recommended by the NRC and approved by the Board.
- iii. Remuneration must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices).

### **9. DUTIES OF THE COMMITTEE IN RELATION TO NOMINATION MATTERS**

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

- a) Ensuring that there is an appropriate induction 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 Act;
- 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) 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; and
- k) Considering any other matters, as may be requested by the Board.

## **10. 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 ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- c) 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.

## **11. REVIEW AND AMENDMENT**

- This Policy is framed based on the provisions of the Act and rules thereunder and the requirements of Listing Regulations with the Stock Exchanges.
- In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.
- This policy shall be reviewed by the Nomination and Remuneration Committee, periodically. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.

## **12. EFFECTIVE DATE**

This Policy is effective from 13<sup>th</sup> August, 2024.

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**Annexure I****Performance Evaluation of the Board***Ratings from 1 to 3*

| <b>Sl. No.</b>       | <b>Criteria</b>   | <b>Rating</b> |
|----------------------|---|---------------|
| 1.                   | Focus of the Board on day to day micro management and strategic macro issues  |               |
| 2.                   | Understanding of the Board of the Company's Central Idea  |               |
| 3.                   | Flow of Board Experience and Diversity to the Company   |               |
| 4.                   | Carrying out objective evaluation of the top management by the Board  |               |
| 5.                   | Putting in place by the Board a succession plan for the top management  |               |
| 6.                   | Clarity in communication of Board's objectives to the management  |               |
| 7.                   | Interaction level of the Board with Statutory Auditors/Internal Auditors  |               |
| 8.                   | Level of open and interactive discussion by the Board on new ideas  |               |
| 9.                   | Awareness of the Board of the matter to be discussed at the meeting, level of participation, prior study of the issue to be discussed at the meeting  |               |
| 10.                  | Board's contribution in developing a corporate environment that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations |               |
| Any other Comments:- |   |               |

**Annexure II****Performance Evaluation of Committees of Board***Ratings from 1 to 3*

| <b>Sl. No.</b>      | <b>Criteria</b>   | <b>Rating</b> |
|---------------------|---|---------------|
| 1.                  | Composition of the Committee-Number of members and type of members  |               |
| 2.                  | Timeliness of framing of policy of the Committee  |               |
| 3.                  | Effectiveness of the Committee in carrying out powers and functions assigned to it by the Board of Directors  |               |
| 4.                  | Focus of the Committee on pertinent topics and allocation of reasonable time on the same                      |               |
| 5.                  | Effectiveness and timeliness in reporting back to the Board of decisions/recommendation made by the Committee |               |
| Any other Comments: |   |               |

**Annexure III****Performance Evaluation of Whole Time Director/Managing Director & CEO***Ratings from 1 to 3*

| <b>Sl. No.</b>       | <b>Criteria</b>  | <b>Ratings</b> |
|----------------------|--|----------------|
| 1.                   | Attendance, participation in the meetings and timely inputs on the minutes of the meetings   |                |
| 2.                   | Leadership initiative, like new ideas and planning towards growth of the Company and steps initiated towards branding of the Company |                |
| 3.                   | Adherence to ethical and code of conduct of the Company  |                |
| 4.                   | Compliances with policies, reporting of frauds, violation etc. and disclosure of interest  |                |
| 5.                   | Safeguarding of interest of whistle blower under vigil mechanism and safeguarding of confidential information                        |                |
| 6.                   | Teamwork attributes  |                |
| Any other Comments:- |  |                |

**Annexure IV****Performance Evaluation of Non-Executive Independent Directors***Ratings from 1 to 3*

| <b>Sl. No.</b>       | <b>Criteria</b>  | <b>Ratings</b> |
|----------------------|--|----------------|
| 1.                   | Regular attendance at Board Meetings   |                |
| 2.                   | Study of the Agenda and Papers in advance  |                |
| 3.                   | Level of enthusiasm in participation in the Board Meetings                             |                |
| 4.                   | Understanding level of Company's business model and products                           |                |
| 5.                   | Level of queries during discussions in the Board Meetings                              |                |
| 6.                   | Introduction of new ideas in field of Management/Finance/Operations/Strategy           |                |
| 7.                   | Facilitating the Company with external Agencies, Government, Bankers and Advisors etc. |                |
| 8.                   | Level of conduciveness during the discussions in the Board Meetings                    |                |
| 9.                   | Providing a different insight and outlook to the Board                                 |                |
| 10.                  | Level of participation in decision making on important issues                          |                |
| 11.                  | Level of contribution in problem solving   |                |
| 12.                  | Status of rapport with fellow Directors and Top Management                             |                |
| 13.                  | Outlook towards compliance with regulations/financial reporting standards              |                |
| 14.                  | Level of ethical outlook   |                |
| 15.                  | Independent from the Company and other directors and there is no conflict of interest  |                |
| 16.                  | Has independent view & judgment and voices opinion freely                              |                |
| Any other comments:- |  |                |

**Annexure V****Performance Evaluation of Non-Executive Non-Independent Directors***Ratings from 1 to 3*

| <b>Sl. No.</b>       | <b>Criteria</b>  | <b>Ratings</b> |
|----------------------|--|----------------|
| 1.                   | Regular attendance at Board Meetings   |                |
| 2.                   | Study of the Agenda and Papers in advance  |                |
| 3.                   | Level of enthusiasm in participation in the Board Meetings                             |                |
| 4.                   | Understanding level of Company's business model and products                           |                |
| 5.                   | Level of queries during discussions in the Board Meetings                              |                |
| 6.                   | Introduction of new ideas in field of Management/Finance/Operations/Strategy           |                |
| 7.                   | Facilitating the Company with external Agencies, Government, Bankers and Advisors etc. |                |
| 8.                   | Level of conduciveness during the discussions in the Board Meetings                    |                |
| 9.                   | Providing a different insight and outlook to the Board                                 |                |
| 10.                  | Level of participation in decision making on important issues                          |                |
| 11.                  | Level of contribution in problem solving   |                |
| 12.                  | Status of rapport with fellow Directors and Top Management                             |                |
| 13.                  | Outlook towards compliance with regulations/financial reporting standards              |                |
| 14.                  | Level of ethical outlook   |                |
| Any other comments:- |  |                |