

PURAVANKARA LIMITED

CIN: L45200KA1986PLC051571

NOMINATION AND REMUNERATION POLICY

(Approved by Board of Directors on 14.11.2023)

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1. Objective of the Policy

The Company recognizes its human resources as invaluable assets and has set up a customized framework to reward its human resources by way of equitable remuneration, thereby harmonizing their aspirations with the long term goals and objectives of the Company. The objective and purpose of this policy, shall in addition to other matters include:

- a. Guiding the Board of the Company in formulating relevant criteria laying down terms and conditions for the appointment and removal of Directors, Key Managerial Personnel and Senior Management;
- b. Recommending to the Board, a policy relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management in whatever form;
- c. Providing Key Managerial Personnel and Senior Management, performance-based incentives / rewards relating to the Company's operations; and
- d. Retaining, motivating and promoting talented Senior Management.

2. Legal Framework

In accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI regulations, the Board of Directors of every listed public Company shall constitute a Nomination and Remuneration Committee that shall be responsible for formulating the policy dealing with nomination, performance evaluation, appointment and removal of the Directors, Key Managerial Personnel, Senior Management and other employees of the Company.

3. Scope and applicability of the Policy

The contents of this policy shall be applicable to the members of the Board, Key Managerial Personnel, Senior Management and other employees.

4. Review and Amendments

The Board may at any time, upon recommendation of the Committee, amend this Policy either pursuant to any changes in applicable regulations or otherwise. 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, such amendment(s), clarification(s), circular(s), etc. shall prevail over the provisions of this Policy.

5. Definitions

5.1 "**Board**" means Board of Directors of the Company, as constituted from time to time.

5.2 "**Companies Act 2013**" means the Companies Act, 2013 and rules and regulations made thereunder, as amended from time to time.

5.3 "**Company**" means Puravankara Limited.

5.4 "**Committee**" or "**NRC**" means the Nomination and Remuneration Committee constituted by the Board of the Company from time to time as per the provisions of Companies Act 2013 and SEBI regulations.

5.5 "**Director**" shall mean Directors as defined under section 2(34) of Companies Act 2013.

5.6 "**Independent Director**" means a Director referred to in Section 149(6) of Companies Act 2013 read with relevant rules and SEBI regulations.

5.7 **“Key Managerial Personnel”** with reference to a Company means and includes:

- i. Chief Executive Officer or the Managing Director or the manager;
- ii. Company Secretary;
- iii. Whole time director;
- iv. Chief Financial Officer;
- v. such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board;

5.8 **“SEBI regulations”** means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

5.9 **“Policy”** means this Nomination and Remuneration Policy as amended and approved by the Board from time to time.

5.10 **“Remuneration”** shall mean any monetary 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.

5.11 **“Senior Management”** shall mean officers/personnel of the Company who are members of the core management team excluding Board of Directors and normally 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 include the functional heads.

Capitalised terms used in this Policy and not defined above shall have the same meaning as assigned to them under Companies Act 2013 or SEBI regulations or any other applicable law or guidelines.

6. Role and functions of the Committee related to Nomination

6.1 Appointment criteria and qualifications for Directors, Key Managerial Personnel and Senior Management:

- a. The Committee shall identify persons who are qualified to become Directors and who may be appointed as Key Managerial Personnel or in the position of Senior Management, who possess integrity, independence, adequate knowledge, skill, qualification, experience in the field of their specialization commensurate with the proposed role and responsibility as Director, Key Managerial Personnel or Senior Management and shall have the ability to manage the responsibility assigned to them.
- a. The Company should ensure that it appoints or continues the employment of any person as Managing Director subject to the conditions laid down under Part I of Schedule V of Companies Act 2013.
- b. The Committee to ensure that Company shall appoint or continue the service of any person as Independent Director subject to the provisions of Section 149 read with Schedule IV and other applicable provisions of the Act Companies Act 2013 and SEBI regulations.
- c. For the purpose of identifying suitable candidates, the Committee may:
 - i. Use the services of external agencies, if required;
 - ii. Consider candidates from a wide range of backgrounds, having due regard to diversity, as per the Board Diversity Policy of the Company; and
 - iii. Consider the time commitments of the candidates.
- d. The Company shall appoint or continue the employment of a person as Managing Director / Whole-Time Director and Non-Executive Director who has not attained the maximum age of retirement as prescribed under relevant laws;
- e. A whole-time Key Managerial Personnel of the Company shall not hold office as Key Managerial Personnel in more than one Company except in its subsidiary company at the same time. However, a

whole-time Key Managerial Personnel can be appointed as a Director other than a whole-time Director in any other Company, with the permission of the Board of the Company;

- f. The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of Companies Act 2013.

6.2 Tenure of appointment:

i. Executive Directors:

- a. The Company shall appoint or re-appoint any person as its Managing Director, Whole-time Director by whatever name called, for a term not exceeding five years at a time.
- b. No re-appointment shall be made earlier than one year before the expiry of his / her term.

ii. Independent Directors:

- a. To ensure that an Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report.
- b. To ensure that No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the 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.

iii. Non- Executive Directors

- a. Companies Act 2013 and SEBI regulations do not specify any tenure for the appointment of Non-Executive Directors.
- b. No appointment or reappointment of a Non-Executive director who has attained the age of seventy five years shall be made by the Company unless a special resolution of the shareholders has been passed for such appointment / reappointment.

6.3 Evaluation:

The Committee shall carry out evaluation of performance of every Director on yearly basis in the manner provided in the Policy on Board Evaluation on certain pre-determined parameters in terms of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 as amended.

6.4 Removal:

Due to reasons for any disqualification mentioned in Companies Act, 2013 or under any other applicable Act, rules and regulations or due to non-adherence to the applicable policies of the Company, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, Key Managerial Personnel or Senior Management, subject to the provisions and compliance of the said Act, rules and regulations.

6.5 Retirement:

The Directors, Key Managerial Personnel and Senior Management shall retire as per the applicable provisions of the relevant laws. The Board will have the discretion to retain the Directors, KMP and Senior Management in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company, subject to approvals as required under the relevant laws.

7. Vacancy in the office of Executive Directors and Key Managerial Personnel

- i. Any vacancy in the office of Managing Director, Whole Time Director, Chief Executive Officer, Chief Financial Officer or Company Secretary shall be filled by the Company within a period of 3 (three) months from the date of such vacancy.
- ii. In case of any interim appointment to fill the aforementioned vacancy, the appointment should be made in accordance with the laws as applicable for a fresh appointment and all the obligations under such laws shall be applicable to such interim appointment.

8. Roles and functions of the Committee related to Remuneration

8.1 Remuneration to the Managing Director/ other Executive Directors:

- i. The remuneration to the Managing Director / other Executive Directors will be determined by the Committee and recommended to the Board for approval. They shall be subject to the prior approval of the Shareholders of the Company, wherever applicable / required.
- ii. The remuneration payable to the Managing Director / other Executive Directors shall be in accordance with the performance evaluation and percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of Companies Act 2013, which may be in force, from time to time.
- iii. The remuneration shall consist of both fixed compensation (which may be subject to annual increments) and variable compensation (if any) and shall be paid as salary, commission, performance bonus, perquisites, and fringe benefits, as approved by the Board and Shareholders.
- iv. The fixed compensation, which may be subject to annual increments, shall be determined at the time of appointment and in line with industry practice. In addition to fixed remuneration, Managing Director / other Executive Directors are entitled to receive remuneration within the limits prescribed under Companies Act 2013 by way of profit related commission.
- v. The variable compensation (if any) will be determined annually by the Committee based on the performance of the Managing Director / other Executive Directors. The Managing Director and other Executive Directors will also be entitled for stock options.
- vi. If, in any financial year, the Company has no profits or its profits are inadequate, it shall pay remuneration to its Managing Director / other Executive Directors in accordance with the provisions of Schedule V of Companies Act 2013.
- vii. Where any insurance is taken by the Company on behalf of its Directors, Managing Director, Key Managerial Personnel and Senior Management 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.

8.2 Remuneration to Key Managerial Personnel and Senior Management:

- i. The Key Managerial Personnel and Senior Management shall be eligible for a monthly remuneration which will consist of fixed and variable components (if any) including perquisites and statutory benefits to attract, retain and motivate them to attain the short and long term performance objectives of the Company.

- ii. In addition to fixed remuneration, to motivate executives to pursue the long-term growth and success of the Company, Key Managerial Personnel and Senior Management are entitled to receive performance based remuneration.
- iii. The Committee will consider various performance metrics including but not limited to factors such as business growth, profitability, earnings per share, return on invested capital, return on assets, return on equity, ESG performance vs goals, customer feedback, employee engagement levels etc. for determining the performance based remuneration.
- iv. Key Managerial Personnel and Senior Management will also be entitled to stock options.

8.3 Remuneration to Independent Directors:

- i. The Independent Directors shall receive remuneration by way of fees for attending meetings of Board or its Committees thereof as approved by the Board, subject to the maximum limit prescribed under the applicable law from time to time.
- ii. Independent Directors shall be entitled to commission, subject to the limit prescribed in the Companies Act 2013.
- iii. The Committee will consider the performance evaluation, industry trend, economic environment and business performance of the Company before recommending commission payable to the Independent Directors of the Company.
- iv. An Independent Director shall not be entitled to any stock option of the Company.

8.4 Remuneration to Non-Executive Directors:

- i. Remuneration of Non-Executive Directors, if any, shall be in compliance with the provisions of Companies Act 2013 and SEBI regulations.
- ii. The Committee shall determine the criteria for compensation to the Non-Executive Directors, whether as commission or otherwise. The criteria shall include factors such as individual performance, industry trends, Company's performance, Director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of Committees, time spent in carrying out his/her duties and such other factors as the NRC may consider fit. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Non-Executive Directors in accordance with the provisions of Schedule V of Companies Act 2013.
- iii. The Committee shall, based on the above criteria, make an appropriate recommendation to the Board which shall determine the compensation to Non-Executive Directors, within the overall limits specified in the Shareholders' resolution and the applicable law.
- iv. The Non-Executive Directors shall be entitled to receive remuneration through a mix of sitting fees, commission, reimbursement of expenses for participation in the Board and its Committee meetings, professional or consulting fees as applicable, and as may be determined from time to time by the Company subject to applicable law.
- v. Non-Executive Directors shall be entitled to stock options in accordance with the provisions of Companies Act 2013 and SEBI regulations.

9. Website Disclosures

This Policy will be uploaded on the website of the Company and the salient features of this Policy and changes therein, if any, along with the web address of this Policy, shall be disclosed in the Board's report.