

EIH LIMITED

Director Appointment and Remuneration Policy

This Director Appointment and Remuneration Policy (the "Policy") applies to the Board of Directors (the "Board") of EIH Limited (the "Company").

1. Purpose

The objective of this Policy is to provide a framework and set standards for the appointment of high quality directors who have the capacity and ability to lead the Company towards achieving sustainable development. The Company aims to achieve a balance of experience and skill amongst its directors. It also defines the role of the Nomination and Remuneration Committee.

2. Accountability

- 2.1 The Board is ultimately responsible for the appointment of directors.
- 2.2 In terms of Section 178 of the Companies Act, 2013 and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Nomination and Remuneration Committee ("NRC") assesses and selects candidates for directors and recommends to the Board their appointment.

3. Role of the Nomination and Remuneration Committee

The NRC is responsible for:

- 3.1 Reviewing the structure, size and composition (including the skill, knowledge and experience) of the Board and making recommendations on any proposed changes to the Board with due regard to Board Diversity;
- 3.2 Identifying individuals suitably qualified to become Board members, Key Managerial and Senior Management Personnel.
- 3.3 Making recommendations to the Board on the appointment, re-appointment or removal of directors, Key Managerial and Senior Management Personnel.

- 3.4 Making recommendations for succession planning for directors, Key Managerial and other Senior Management Personnel, including the Managing Director (s), Whole-time Director(s) and CEO.
- 3.5 Formulating criteria for evaluation of performance of every director including independent directors and the Board;
- 3.6 Recommending remuneration payable to Senior and Key Management Personnel, executive and non-executive directors including Board sitting fees;

4. Appointment of Directors

- 4.1 Matching the needs of the Company and enhancing the competencies of the Board are the basis for the NRC to select a candidate for appointment to the Board. When recommending a candidate for appointment, the NRC will have regard to:
 - assessing the individual against a range of criteria including but not limited to industry experience, background, and other qualities required to operate successfully in the position, with due regard to the benefits of diversity of the Board;
 - the extent to which the individual is likely to contribute to the overall effectiveness of the Board and work constructively with the existing directors;
 - the skills and experience the individual brings to the role and how these will enhance the skill sets and experience of the Board as a whole;
 - the nature of positions held by the individual including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;
 - the time commitment required from a director to actively discharge his duties to the Company.

4.2 The recommended director would:

- Possess a degree in a relevant discipline;
- Have experience of management in a diverse organization;
- Have excellent interpersonal, communication and representational skills;
- leadership skills;
- Possess high standards of ethics, personal integrity and probity;
- Continuously refresh his professional knowledge and skills.

For details of the personal specifications of a director, please refer to *Annexure*.

4.3 Every director should ensure that he can give sufficient time and attention to the Company's affairs and regularly attend Board meetings and other committee meetings in which he is a member.

4.4 The Policy aims to engage directors (including non-executive and independent non-executive directors) who are highly skilled, competent and experienced persons within one or more fields of business, finance, accounting law, management, sales, marketing, administration, corporate governance, technical operations or other disciplines related to the business of the Company and who shall be able to positively carry out their supervisory role over the policies of the management of the Company and the general affairs of the Company.

4.5 The Company is required to appoint at least one independent non-executive director who must have appropriate professional qualifications on accounting or related financial management expertise in accordance with Regulation 18 of the Listing Regulations.

4.6 In addition to those requirements specified in the clauses 4.2 and 4.3, the independent non-executive directors shall also fulfill the requirements pursuant to Section 149 (6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations.

4.7 In assessing the independence of a non-executive director, the following factors shall be taken into account:

Independent director shall mean a non-executive director, other than a nominee director of the company:

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience.
- b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company or member of the promoter group of the Company;

(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c. who has or had no pecuniary relationship, other than remuneration as such director or having transactions not exceeding ten percent of his total income or such amount as may be prescribed, with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d. none of whose relatives-
 - i) is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year;
Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two percent of the paid up capital of the company, its holding, subsidiary or associate company or such higher sums as may be prescribed;
 - ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
 - iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;

- iv) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);
- e. who, neither himself nor any of his relatives –

- (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

Provided that in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during the preceding three financial years;

- (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of –

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover or such firm;

- (iii) holds together with his relatives two per cent or more of the total voting power of the company; or

- (iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the

company;

f. is a material supplier, service provider or customer or a lessor or lessee of the company;

g. who is not less than 21 years of age;

h. who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an Independent Director;

Explanation

For the purposes of the sub-clause (i) of clause (e) of 4.7:

i) “Associate” shall mean a company which is an “associate” as defined in Accounting Standard (AS) 23, “Accounting for Investments in Associates in Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India;

ii) “Key Managerial Personnel” shall mean “Key Managerial Personnel” as defined in section 2(51) of the Companies Act, 2013;

iii) “Relative” shall mean “relative” as defined in section 2(77) of the Companies Act, 2013 and rules prescribed there under.

5. Letter of Appointment

Each director will be issued a Letter of Appointment signed by the Chairperson of the Board.

6. Appointment Procedure

6.1 The NRC shall ensure that the appointment of directors will be in terms of the Policy and recommendations made to the Board for appointment.

- 6.2 If required, an external data base can be used and advice taken to access a wide base of potential directors as prescribed under the Companies Act, 2013.

7. Appointment and Remuneration of Managerial Personnel

- 7.1 The NRC shall ensure that the appointment and remuneration payable to the Managing Director(s), CEO, Whole-time Directors, Manager, if any are in accordance with the provisions of Chapter XIII (Sections 196 to 203) read with Schedule V of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- 7.2 The NRC may recommend a suitable sitting fee, reimbursement of incidentals, travel and other expenses to non-executive directors as may be prescribed under the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

8. Familiarization Program

The Management will familiarize the Independent Directors on the following:

- a) The Oberoi Dharma;
- b) Company's History, Structure and the Business Model;
- c) Memorandum & Articles of Association of the Company;
- d) Past 3 (three) years accounts and any important factors in the accounts of the Company;
- e) Interaction with other Directors on the Board and with the Senior Executives of the Company.

Anil Nehru
Chairperson- Nomination & Remuneration
Committee
Dated: 28th March 2019

P.R.S. Oberoi
Chairperson

Personal Specification for Directors

1. Qualifications

- Degree holder in relevant disciplines (e.g. management, accountancy, legal, sales, marketing, administration, finance, and Corporate Governance and hospitality industry related disciplines); or
- Recognised specialist.

2. Experience

- Experience of management in a diverse organization;
- Experience in accounting and finance, administration, corporate, legal and strategic planning;
- Ability to work effectively with other members of the Board.

3. Skills

- Excellent interpersonal, communication and representational skills;
- Leadership skills;
- Extensive team building and management skills;
- Strong influencing and negotiating skills;
- Continuous professional development to refresh knowledge and skills;

4. Abilities and Attributes

- Commitment to high standards of ethics, personal integrity and probity;
- Commitment to observe “The Oberoi Dharma” and the fundamental code of conduct.
