

## NOMINATION AND REMUNERATION POLICY

### **Background:**

The Nomination and Remuneration Policy (the “**Policy**”) of Sunteck Realty Limited (“**Sunteck**” or “**Company**”) has been formulated in accordance with section 178 of Companies Act, 2013 (“**Act**”) and Regulation 19 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 (“**SEBI LODR**”) as amended from time to time.

Sunteck Realty Limited together with its subsidiaries, group companies are hereinafter referred to as Sunteck Group (the “**Group**”).

### **Purpose:**

This Policy serves as a guidance for the following activities with regards to its Senior Management, Directors, and Key Managerial Personnel:

- Appointment and removal.
- Recommendation of remuneration to be paid.
- Evaluation of performance.

### **Definition:**

- “*Key Managerial Personnel*” or “*KMP*” in relation to the Company, means the Chief Executive Officer or the Managing director or the Manager; the Company secretary; the whole-time director; the Chief Financial Officer; such other officer, not more than one level below the directors who is in Whole-time employment of the Company and/or its subsidiaries, designated as KMP by the Board; such other officer as may be prescribed.
- “*Remuneration*” means any money, 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.

### **Nomination and Remuneration Committee:**

The Board shall constitute a Nomination and Remuneration Committee (Committee) to remain in line with the requirements of the Act and SEBI LODR. The Committee shall have a minimum of 3 non-executive directors. An independent director shall be appointed as the chairperson of the Committee. Chairperson of the Company shall not be elected as the chairperson of the Committee.

### **Role of Nomination and Remuneration Committee:**

- Define the criteria for determining expertise and independence of a director.
- Select personnel who may be assigned as KMP/Senior Management and recommend to the Board their appointment, remuneration, removal, and retirement.
- Define mechanism for effective evaluation of the performance of the Board, its committees, individual directors and scrutinize its implementation
- Develop a succession plan for the Board and Senior Management and the Committee shall review it at regular intervals.

**Appointment:**

- The Committee shall evaluate the expertise, accomplishments, and experience of the prospective candidate for appointment as Director, KMP or Senior Management and recommend to the Board his/her appointment.
- The Committee shall have the discretion to decide whether qualifications, expertise and experience possessed by a candidate is sufficient for the concerned position.

**Removal:**

- Due to reasons for any disqualification / removal, as mentioned in the Act, the Committee shall recommend removal of a Director, KMP, or Senior Management Personnel. The Committee shall give the Board all the reasons in the said matter for such removal / disqualification officially.

**Remuneration to Whole-time / Executive / Managing Director, KMP, Senior Management and Non-Executive/ Independent directors:**

- The Committee shall be responsible for reviewing and proposing recommendations to the Board on remuneration of executive directors.
- Any recommendation made by the Committee regarding changes to the existing remuneration structure shall be within the limits approved by the shareholders in the case of KMPs.
- Any Managing Director or Whole-time Director shall not be paid remuneration which exceeds 5% of the net profits of the Company and if there is more than one such director, remuneration shall not exceed 10% of the net profits to all such directors taken together.
- The Non-Executive / Independent directors shall draw remuneration by way of:
  - Sitting fees for attending the Board and other meetings
  - Commission as authorized by the shareholders of the Company.

The Board shall decide sitting fees payable to the independent directors based on the recommendation of the Committee. An Independent director shall not qualify for any stock options of the Company.

**Evaluation of performance:**

The Committee shall be liable for formulating the process of evaluation. A structured questionnaire shall be formed for performance evaluation. The Committee shall determine specific issues and questions that shall be considered in performance evaluation of the Senior Management and KMP.

**Board Diversity:**

The Committee shall aim to maintain an appropriate balance in terms of diversity in gender, expertise, skills, and perspective when recommending persons for appointment of KMP of the Company to the Board.

**Disciplinary action for non-adherence:**

Non-adherence to this Policy may lead to punitive actions which may include pay cuts, demotion, suspension and even termination of services.

**Review:**

The Committee shall be responsible for review of the Policy. The Policy shall be reviewed once annually. Any amendment in the Policy shall require prior Board approvals.