

GMR Hyderabad International Airport Limited



Nomination and Remuneration Policy





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1. INTRODUCTION

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of every Public Company having a Paid up Capital of Rs.10 Crores or more; or Turnover of Rs.100 Crores or more; or having in aggregate outstanding loans or borrowing or debentures or deposits exceeding Rs.50 Crores or more, as existing on the date of last audited Financial Statements, shall constitute a Nomination and Remuneration Committee. Since, GMR Hyderabad International Airport Limited (GHIAL) fulfills the prescribed requirement, therefore, GHIAL has constituted a Nomination and Remuneration Committee.

In order to align with the provisions of the Companies Act, 2013, the Board on May 06, 2014 renamed the “Remuneration Committee” as “Nomination and Remuneration Committee” and modified its terms of reference.

Further, pursuant to Regulation 19 read with para A of part D of Schedule II of the SEBI (Listing Obligations & Disclosure Requirements), Regulation 2015 (“Listing Regulations”), the Board of Directors of every listed Company shall constitute a Nomination and Remuneration Committee. Further, the Nomination and Remuneration Committee shall recommend to the Board of Directors, a policy relating to the remuneration of directors, key managerial personnel and other employees.

This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the Listing Regulations.

1.1. PURPOSE OF THE POLICY

The Key Objectives of the Committee includes:

- (a) To guide and recommend to the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- (b) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- (c) To recommend to the Board a policy relating to the Remuneration payable to the Directors, Key Managerial Personnel and other employees.
- (d) To formulate criteria for determining qualifications, positive attributes and independence of the Directors.
- (e) To carry due diligence along with scrutiny of the declarations from the Directors at the time of appointment / renewal of appointment of Director(s), decide on the acceptance or otherwise of the Directors, where considered necessary, based on the information provided in the signed declaration and suitably recommending the candidature of Directors to the Board.

The Policy ensures that:

- (a) 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;
- (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmark; and



- (c) Remuneration to Directors, Key Managerial Personnel 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.

1.2. DEFINITIONS

- 1.2.1. **“Board”** means the Board of Directors of the Company.
- 1.2.2. **“Company”** means “GMR Hyderabad International Airport Limited.”
- 1.2.3. **“Employees’ Stock Option”** means the option given to the directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.
- 1.2.4. **“Independent Director”** means a director referred to in Section 149 (6) of the Companies Act, 2013 and Regulation 16 of Listing Regulations.
- 1.2.5. **“Key Managerial Personnel”** or **“KMP”** means Key Managerial Personnel of the Company in terms of the Companies Act, 2013 and the Rules made thereunder.

(As per Section 203 of the Companies Act, 2013, the following are whole-time Key Managerial Personnel:

- (i) Managing Director or Chief Executive Officer or the Manager and in their absence a whole-time Director;*
 - (ii) Company Secretary; and*
 - (iii) Chief Financial Officer.)*
- 1.2.6. **“Nomination and Remuneration Committee”** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.
- 1.2.7. **“Policy or This Policy”** means, “Nomination and Remuneration Policy.”
- 1.2.8. **“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.
- 1.2.9. **“Senior Management”** of the Company means officers / personnel of the Company who are members of its core management team excluding Board of Directors comprising Chief Executive Officer (CEO) and members of Management (one level below the CEO) including Chief Financial Officer (CFO) and Company Secretary (CS).

1.3. INTERPRETATION

- (i) Words and expressions used in this Policy shall have the same meanings assigned to them in the following acts, listing agreement, regulations and rules, including any further modifications and amendments:
- i. The Companies Act, 2013 or the rules framed thereon;
 - ii. Listing Agreement with the Stock Exchanges;



- iii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- iv. Securities Contracts (Regulation) Act, 1956;
- v. Securities and Exchange Board of India Act, 1992;
- vi. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018;
- vii. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

2. NOMINATION AND REMUNERATION COMMITTEE

2.1. ROLE OF THE COMMITTEE

- (a) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- (b) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and Senior Management.
- (c) Formulating the criteria for evaluation of individual Directors and the Board;
- (d) Ensuring that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors;
- (e) The Committee shall take into consideration and ensure the compliance of provisions under Schedule V of the Companies Act, 2013 for appointing and fixing remuneration of Managing Directors / Whole-time Directors / Managers;
- (f) While approving the remuneration, the Committee shall take into account financial position of the Company, trend in the industry, qualification, experience and past performance of the appointee;
- (g) The Committee shall be in a position to bring about objectivity in determining the remuneration package while striking the balance between the interest of the Company and the shareholders;
- (h) Devising a policy on Board diversity;
- (i) All information about the Directors / Managing Directors / Whole time Directors / Key Managerial Personnel i.e. background details, past remuneration, recognition or awards, job profile shall be considered and disclosed to the shareholders, wherever required;
- (j) 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;
- (k) Recommend to the Board, all remuneration, in whatever form, payable to senior management



2.2. COMPOSITION OF THE COMMITTEE

- (a) The Committee shall comprise of at least three (3) Directors, all of whom shall be non-executive Directors and at least two-thirds of the directors shall be Independent Directors.
- (b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013, Listing Regulations and any other applicable statutory requirement.
- (c) The quorum for a meeting of the nomination and remuneration 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.
- (d) Membership of the Committee shall be disclosed in the Annual Report.
- (e) Term of the Committee shall be continued unless amended / terminated by the Board of Directors.

2.3. CHAIRMAN OF THE COMMITTEE

- (a) The Chairperson of the nomination and remuneration committee shall be an Independent Director.
- (b) Chairman of the Committee shall be as decided by the Board.
- (c) Chairman of the Company may be appointed as a member of the Committee but shall not Chair such Committee.
- (d) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- (e) The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries. Further, the Chairman of the Committee may authorize any other member of the Committee on his behalf to attend the general meetings of the company.

2.4. FREQUENCY OF THE MEETINGS OF THE COMMITTEE

The meeting of the Committee shall be held at such regular intervals as may be required with a minimum of at least once in a year.

2.5. COMMITTEE MEMBER'S INTEREST

- (a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- (b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

2.6. VOTING AT THE MEETING



- (a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- (b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

2.7. **MINUTES OF THE MEETING**

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

3. **APPLICABILITY**

This Policy is Applicable to:

- (a) Directors (Executive, Non-Executive and Independent)
- (b) Key Managerial Personnel
- (c) Senior Management Personnel
- (d) Other employees as may be decided by the Nomination and Remuneration Committee from time to time.

4. **APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL**

4.1. **APPOINTMENT CRITERIA AND QUALIFICATIONS**

- (a) Subject to the applicable provisions of the Companies Act, 2013, the Listing Agreement, Listing Regulations, other applicable laws, if any and GMR Group HR Policy, the Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or Senior Management and recommend to the Board his / her appointment.
- (b) The Committee has discretion to decide the adequacy of qualification, expertise and experience for the concerned position.
- (c) The Company shall not appoint or continue the employment of any person as Managing Director / Whole-time Director / Manager who has attained the maximum age of retirement as prescribed under relevant applicable laws, unless an appropriate Resolution is passed to that effect, as prescribed under relevant applicable laws.
- (d) Further, the appointment of any whole-time KMP of the Company and Independent Director as per the terms and conditions as prescribed under relevant applicable laws.

4.2. **TERM / TENURE**



4.2.1. **Managing Director / Whole-time Director / Manager (Managerial Personnel)**

The Company shall appoint or re-appoint any person as its Managerial Personnel for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

4.2.2. **Independent Director**

- (a) The appointment /re-appointment/removal/resignation of Independent Director shall be pursuant to the provisions of Companies Act, 2013 and the Listing Regulations.
- (b) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after 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. Further, no independent director, who resigns from a listed entity, shall be appointed as an executive / whole time director on the board of the listed entity, its holding subsidiary or associate company or on the Board of a Company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an Independent Director.

- (c) At the time of appointment of Independent Director, it should be ensured that that the appointment should be in compliance of the rules and regulations as laid down in the Companies Act, Rules made thereunder, Listing Agreement and any other applicable law.
- (d) The maximum number of companies in which a person shall hold office as Director, including any alternate directorship, shall not exceed Twenty Companies at the same time. Provided that the maximum number of public companies in which a person can be appointed as a director shall not exceed ten out of which not more than 7 may be in Listed (equity Listed) Companies.

For reckoning the limit of public companies in which a person can be appointed as director, directorship in private companies that are either holding or subsidiary company of a public company shall be included.

4.3. **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The company shall familiarize the Independent Directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes.

4.4. **EVALUATION**

In terms of Section 178 and subject to Schedule IV of the Companies Act, 2013 and Listing Regulations, the Committee shall specify the manner for effective evaluation of performance of Independent Directors, Board, its Committees and other individual directors and review its implementation and compliance periodically.

4.5. **REMOVAL**



Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable laws, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP, subject to the provisions and compliance of the applicable laws, rules and regulations.

4.6. RETIREMENT

The Director, KMP and Personnel of Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. Subject to applicable regulations, the Board will have the discretion to retain the Director, KMP, Personnel of Senior Management in the same position / remuneration or otherwise even after attaining the retirement age, in the interest and for the benefit of the Company.

4.7. SUCCESSION PLANNING

- A. The Company shall follow GMR Group Policy on Succession Planning to identify critical job positions including board of directors and senior management and provide Succession to these positions for business continuity & Institution Building.
- B. Corporate HR (CHR) will initiate the process for identification of individuals by CEO/HOD/Chairman, as may be applicable, in the context of AOP, business and workforce plans.
- C. Job specifications will be shared with CEO/HOD/Chairman to help identify potential successors.
- D. Succession Planning Policy & Process will be administered by CHR in partnership with the CEO/HOD/Chairman.
- E. Confidentiality with regard to outcome of the Succession Planning exercise will be maintained at all times.

5. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSONNEL, KMP AND SENIOR MANAGEMENT PERSONNEL

5.1. GENERAL

- (a) The remuneration / compensation / commission etc. to Managerial Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.
- (b) The remuneration and commission to be paid to the Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force and the Listing Regulations.
- (c) Increments to the existing remuneration / compensation structure of Managerial Personnel may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders.



- (d) Where any insurance is taken by a company on behalf of its Directors and Officers, for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

5.2. **REMUNERATION TO MANAGERIAL PERSONNEL, KMP, SENIOR MANAGEMENT AND OTHER EMPLOYEES**

5.2.1. **Fixed Pay**

Managerial Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to provident fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and / or Central Government, wherever required.

5.2.2. **Minimum Remuneration**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Personnel in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.

5.2.3. **Provisions for excess remuneration**

If any Managerial Personnel draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 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 as per applicability.

- 5.2.4. The remuneration to KMPs and Personnel of Senior Management shall be governed by the GMR Group HR Policy.

- 5.2.5. The remuneration to other employees shall be governed by the GMR Group HR Policy.

5.3. **REMUNERATION TO NON-EXECUTIVE / INDEPENDENT DIRECTOR**

5.3.1. **Remuneration / Commission**

The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

5.3.2. **Sitting Fees**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof.



Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

The sitting fee paid to Independent Directors and Women Directors, shall not be less than the sitting fee payable to other directors.

5.3.3. Limit of Remuneration / Commission

Remuneration / Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

5.3.4. Stock Options

An Independent Director shall not be entitled to any stock option of the Company.

6. DISCLOSURES

The Company shall disclose the Policy on Nomination and Remuneration on its website and the salient features of the policy and changes therein, if any, along with the web address of the Policy shall be disclosed in the Board's Report.

Further, the terms and conditions of appointment of Independent Director shall be displayed on the Company's website, if any.

7. AMENDMENT

Any amendment or modification in the Companies Act, 2013 and the rules made thereunder and any other applicable laws relating to Nomination and Remuneration Committee shall automatically be applicable to the Company.

The Board of Directors of the Company are authorized to periodically review this policy and make such amendments / changes as they may consider necessary.

This Policy was originally approved by the Board of Directors on 30-01-2015 and further amended on 20-01-2023.

S. No.	Reviewed By	Review Date	Approved By	Approval Date
01.	Nomination and Remuneration Committee	30-01-2015	Board of Directors	31-01-2015
02.	Nomination and Remuneration Committee	20-01-2023	Board of Directors	20-01-2023