

## NOMINATION AND REMUNERATION POLICY

### INTRODUCTION

Section 178 of the Companies Act, 2013 requires the Nomination and Remuneration Committee to recommend to the Board, a policy for nomination of Directors, Key Managerial Personnel (KMP), Senior Management (SM) and other employees. This Policy has been recommended by the Nomination and Remuneration Committee and adopted by the Board at its meeting held on 2<sup>nd</sup> July, 2019 and will come into effect on 2<sup>nd</sup> July, 2019. The Policy harmonizes the requirements of the Companies Act, 2013 including any rules made thereunder.

Easy Trip Planners Limited ("**Company**") considers its human resources its invaluable assets. This Policy has been formulated so as to align the aspirations of the employees with the goals of the Company.

### OBJECTIVES

The objectives and the purpose of the Policy are:

1. to provide an overall comprehensive framework for: (i) nomination, appointment, removal of; and (ii) payment of fair and equitable remuneration to, Directors, KMP, SM and other employees, in compliance with the provisions of the Act, and other applicable laws;
2. to set out the criteria for the evaluation of performance of Directors (including Independent Directors), KMP, SM and other employees;
3. to adopt best practices to attract and retain talent by the Company; and
4. to ensure diversity of the Board of the Company.

For the purposes of this Policy, the following terms will have the meaning as prescribed to them below:

1. "**Act**" means Companies Act, 2013 including Rules made thereunder, as amended, from time to time.
2. "**Articles of Association**" means articles of association of the Company
3. "**Board**" or "**Board of Directors**" means members of the Board of Directors of the Company.
4. "**Director**" means a director on the Board of the Company.

5. **“Independent Director”** has the meaning ascribed to such term under Section 2(47) of the Act.
6. **“Key Managerial Personnel”** or **“KMP”** shall mean – (i) the Chief Executive Officer or the Managing Director or the Manager; (ii) the Company Secretary; (iii) the Whole-time Director; (iv) the 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; and (vi) such other officer as may be prescribed in the Act.
7. **“Nomination and Remuneration Committee”** or **“Committee”** means the nomination and remuneration committee constituted by the Board of Directors of the Company under provisions of the Act.
8. **“Policy”** means this Nomination and Remuneration Policy.
9. **“Relative”** has the meaning ascribed to it under the Act.
10. **“Senior Management”** or **“SM”** shall mean those personnel of the Company who are members of its core management team excluding the Board, comprising 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 specifically include the company secretary and chief financial officer. For the sake of clarity, Senior Management shall also include personnel employed as ‘Senior Management’ under Section 178 of the Act.
11. Words and expressions not defined in this Policy shall have the same meaning as contained in the Act or any other applicable laws or regulations.
12. In case of any contradictions in the provisions of the Act and provisions of the Policy, the provisions of the Act will prevail over the Policy.

## **PART A - NOMINATION POLICY**

### **1. Eligibility Criteria for Nomination of Directors**

A Director should:

- comply with the eligibility criteria stipulated in the Articles of Association of the Company and Section 164 of the Act;
- have relevant experience and track record in finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business and/or relevant to the role he/ she is required to perform, as decided by the Committee/ Board;

- possess the highest personal and professional ethics, integrity, values and stature; and
- be willing to devote sufficient time and energy in carrying out his/her duties and responsibilities.

A Managing Director or Whole-time Director or Manager should, in addition to the above:

- fulfill the conditions specified in Section 196 read with Schedule V of the Act.

An Independent Director should:

- comply with the eligibility criteria stipulated in Section 164 & 149(6) of the Act.

## **2. Eligibility Criteria for appointment of KMP and SM**

A KMP and SM should:

- have relevant experience and track record in finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to Company's business and/ or relevant to the role he/ she is required to perform;
- possess the highest personal and professional ethics, integrity and values; and
- devote sufficient time and energy in carrying out his/ her duties and responsibilities.

## **3. Diversity**

The Company recognizes and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between Directors. The Committee will periodically review board diversity to bring in expertise and experience in diverse areas and disciplines to improve the standards of corporate governance, transparency and operational efficiency and risk management. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective. The Committee will discuss succession planning and board diversity at the time of nominating Directors. It will be the Committee's endeavour to have Board members from diverse backgrounds/disciplines, including the following:

- Engineering;
- Architecture;
- Accounting;
- Corporate finance;

- Legal;
- Corporate laws;
- Business management;
- Business strategy; and
- Any other background/ discipline as deemed necessary by the Committee/ Board.

#### **4. Tenure of Directors and conditions of directorships**

Directors shall:

- be liable to retire by rotation in accordance with the Act and the Articles of Association of the Company;
- not hold office as a director, including alternate directorship, in more than 20 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 10; and
- not be a member in more than 10 committees or act as Chairman of more than 5 committees across all companies in which he/she is a Director. Furthermore, every Director shall inform the Company about the committee positions he/she occupies in other companies and notify the Company of the changes, as and when they take place.

A Managing Director or Whole-Time Director or Manager:

- shall be appointed or re-appointed for a term not exceeding 5 years at a time;
- shall not be re-appointed 1 year before the expiry of his / her term; and
- shall retire at the age of 70 years unless his appointment is extended beyond 70 years of age by passing a special resolution of the shareholders in accordance with the Act.

An Independent Director:

- is eligible to hold office for a term up to 5 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;
- notwithstanding the above, not hold office for more than 2 consecutive terms, but shall be eligible for appointment after expiry of 3 years of ceasing to become an Independent Director, provided that during the said period

- of 3 years he is not appointed or associated with the Company in any other capacity either directly or indirectly;
- not be liable to retire by rotation.

The Company shall not appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

## **PART B – BOARD EVALUATION POLICY**

The Board acknowledges its intention to establish “best practices” in board governance in order to fulfill its fiduciary obligation to the stakeholders. The Board believes the evaluation will lead to a closer working relationship among Board members, greater efficiency in the use of the Board's time, and increased effectiveness of the Board as a governing body.

### **1. Evaluation Criteria and Mechanism**

The performance of the Directors shall be evaluated in the context of the Company's performance from a business and compliance perspective. The criteria to be used in the evaluation of performance will be those duties and responsibilities that the Board and the Director mutually agree upon. The evaluation criteria may be supplemented, when appropriate, with specific initiatives, projects or professional development objectives.

The Committee shall specify the manner for effective evaluation of performance of the Board, its committees and directors to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance. The evaluation process shall be as follows:

- Formal review shall be done on an annual basis and shall commence immediately upon completion of the previous financial year and shall be completed before the Board meeting at which the notice and agenda for the annual general meeting is approved by the Board;
- Format for formal review shall consist of the form for (a) Executive Director

evaluation ; (b) Non-executive Director evaluation;(c) Board evaluation; (d) committees evaluation; (e) Chairman evaluation, as reviewed and approved by the Committee;

- Notwithstanding anything contained to the contrary in the Policy, the evaluation of the independent directors shall be done by the Board and such evaluation shall include (a) performance of the Directors; and (b) fulfillment of the independence criteria as specified in the Act and their independence from the management. Provided that in the above evaluation, the Directors who are subject to evaluation shall not participate.
- The evaluation form(s) is to be distributed to all Board and Committee members well in time such that the evaluation process is completed before the Board meeting at which the notice and agenda for the annual general meeting is approved by the Board; and
- Results of the evaluation shall be finalized on or before the date of board meeting wherein the notice and agenda for the annual general meeting is approved by the Board such that basis the evaluation process, recommendations of the Board for the re-appointment of the retiring Directors can be included in such notice and agenda for the annual general meeting.

## **PART C – REMUNERATION POLICY**

### **1. Guiding Principles**

The guiding principles of remuneration of the Directors, KMP, SM and other employees of the Company are that:

- the level and composition of remuneration is competitive, reasonable and aligned to market practices and sufficient to attract, retain and motivate talent required to run the Company successfully and ensure long term sustainability of the Company;
- the remuneration to Directors, KMP and SM has a fair balance between fixed and variable pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- the remuneration is linked to key deliverables, appropriate performance benchmarks and metrics and varies with performance and achievements;
- there is an alignment of performance metrics with business plans and strategy, corporate performance targets and interest with stakeholders;
- quantitative and qualitative assessments of performance are used to making informed judgments to evaluate performances;
- there is sufficient flexibility to take into account future changes in industry and compensation practice; and
- the pay takes into account both external market and Company conditions to a balanced 'fair' outcome.

**2. Remuneration to Directors, including Managing Director or Whole-time Director or Manager**

- The remuneration and commission and increments thereon to be paid to the Directors, including Managing Director or Whole-time Director or Manager shall be determined in accordance with the conditions laid down in the Act.
- If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Directors, including the Managing Director or Whole-time Director or Manager in accordance with the provisions of the Act and Schedule V thereunder.
- If any Director or Manager draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, he/ she shall refund such sums to the Company within two years or such lesser period as may be allowed by 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 approved by the Company by a special resolution within two years from the date the sum becomes refundable.
- The total remuneration of the Managing Director or Whole-time Director or Manager shall comprise of the following:
  - A fixed base salary and fixed allowances;
  - Annual performance award/ commission;
  - Employee stock options;
  - Retirement benefits; and
  - Other benefits and reimbursements,

In addition to the above, the Managing Director or Whole-time Director or Manager shall also be entitled to, subject to the Act, severance pay in accordance with the terms and conditions of appointment of such Managing Director or Whole-time Director or Manager as set out in their respective appointment letters.

### **3. Remuneration to Non-Executive Directors**

- The remuneration and commission to be paid to the non-executive Directors shall be determined in accordance with the conditions laid down in the Articles of Association of the Company and as per the Act.
- The total remuneration of the Non-executive Directors/ Independent Directors shall comprise of the following:
  - Sitting Fee; and
  - Commission.

They will also be entitled to reimbursement for out-of-pocket expenses.

4. The remuneration, compensation, commission etc. to the Whole-time Director, Managing Director and Manager will be determined by the Committee and recommended to the Board for approval. The remuneration, compensation, commission, etc., shall be subject to the prior or post approval of the shareholders of the Company, wherever required, in accordance with the Act.
5. The remuneration, compensation, commission etc. to the KMPs, SMs and other employees will be determined by the Company in accordance with the provisions of the Act, basis discussions with the Committee after taking into account general market practice, performance of the Company and other relevant factors as prescribed by the Committee from time to time.

### **6. Insurance**

Where any insurance is taken by the Company on behalf of its Directors, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying 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 such personnel, provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

7. Subject to the provisions of the Act, the Board of Directors may deviate from this Policy if there are specific reasons to do so in an individual case. Any departure from the policy shall be recorded and reasoned in the Board/ committee minutes.



8. The adequacy of this Policy shall be reviewed and reassessed by the Committee at such intervals as the Committee deems appropriate and recommendations, if any, shall be made to the Board to update the same from time to time.