

**SUBA HOTELS LIMITED  
(FORMERLY KNOWN AS SUBA HOTELS PRIVATE LIMITED AND HOTEL SUBA STAR  
PRIVATE LIMITED)**

**NOMINATION AND  
REMUNERATION POLICY**

**SUBA HOTELS LIMITED**  
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**PRIVATE LIMITED)**

**1. MEMBERSHIP**

The Committee shall consist of such number of directors as is required under applicable laws/regulations. Membership of the Committee shall be disclosed in the Annual Report of the Company. The members of the Committee shall be appointed or removed by the Board of Directors. Term of the Committee shall be continuous unless terminated by the Board of Directors.

**2. QUORUM**

The quorum necessary for transacting business at a meeting of the Committee shall be two members or one-third of the members of the Nomination and Remuneration Committee; whichever is greater including at least one independent director in attendance.

**3. CHAIRMAN**

The Chairman of the Committee shall be an independent director. In the absence of the Chairman, any other member of the Nomination and Remuneration Committee authorised by the Chairperson shall act as Chairman. The Chairman of the Committee could be present at the Annual General Meeting of the Company to answer shareholders queries or may nominate some other member to answer the shareholders' queries. However, the Chairman shall decide who would answer the queries.

**4. TERM OF REFERENCE**

- a) formulate 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, KMP and other employees;
- b) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board of Directors and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board of Directors for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - 1) use the services of external agencies, if required;
  - 2) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - 3) consider the time commitments of the candidates.
- c) formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
- d) devising a policy on diversity of Board of Directors;
- e) identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
- f) 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;
- g) recommend to the Board of Directors, all remuneration, in whatever form, payable to senior management and while formulating the remuneration policy, to ensure that –
  - 1) 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;

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- 2) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - 3) 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.
- h) Such roles or functions as may be prescribed under the Companies Act,2013.
- i) any other responsibility as may be assigned by the board from time to time.

**5. SELECTION OF NEW DIRECTORS**

Factors to be considered when reviewing a potential candidate for Board appointment include without limitation:

- 1) To have relevant experience in Finance/ Law/ Management/ Sales/Marketing/ Administration/ deliberations of Board/ Corporate Governance or the other disciplines related to company's business.
- 2) The capability of the candidate to devote the necessary time and commitment to the role. This involves a consideration of matters such as other Board or executive appointments; and
- 3) Potential conflicts of interest, and independence.

**6. CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES & INDEPENDENCE OF DIRECTOR**

**a) Qualifications of Independent Director: -**

An Independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, operations or other disciplines related and beneficial to the company's business.

**b) Positive attributes of Independent Directors: -**

An independent director shall be a person of integrity, who possesses relevant expertise & experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his/her responsibilities in a bona-fide manner in the interest of the company; devote sufficient time and attention to his/her professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices.

**c) Independence of Independent Directors: -**

An Independent director should meet the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, concerning independence of directors.

**7. POLICY ON BOARD DIVERSITY**

The candidate should possess adequate qualification, expertise, knowledge, skills, background and industry experience for the position against which he/ she is considered for appointment. The Committee has the discretion to decide whether the above requirements possessed by a person are sufficient/ satisfactory for the concerned position.

The Company should endeavor to have mix of Directors with experience in diverse field's viz. Finance, Law, Management, Sales and Marketing, Technical, Administration, Corporate Governance, factory operations and other discipline related and beneficial to the Company's operations.

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While appointing the Directors and KMP, the Committee shall give due consideration to their limit of holding other directorships/office as specified in the Companies Act, 2013 read with the Rules made therein and the Listing Agreement (as amended from time to time) and/or any other applicable enactment, for the time being in force.

**8. REMUNERATION POLICY**

- a) In discharging its responsibilities, the Committee must have regard to the following policy objectives:
- to ensure that the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
  - to attract and retain skilled executives;
  - to structure short and long-term incentives that are challenging and linked to the creation of sustainable shareholder returns; and
  - To ensure any termination benefits are justified and appropriate.
  - To consider professional indemnity and liability insurance for Directors and senior management

b) The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder approvals which are necessary to obtain.

c) Remuneration to Non-Executive Directors (NED's):

NEDs shall be paid a sitting fee for every meeting of the board and committee thereof attended by them as member. The amount of sitting fees shall be paid in accordance with the decision of the Board, subject to ceiling/limits as provided u/s 197(5) Companies Act, 2013 read with rule 4 of Companies (Appointment & Remuneration of Managerial Personnel) rules, 2014.

d) Remuneration to Key Managerial Personnel & other employees:

- The objective of the policy is directed towards having a compensation philosophy and structure that will reward and retain talent.
- Remuneration to Executive Director/ Key Managerial Personnel and Senior Management will be such as to ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and may involve a balance between fixed and incentive pay reflecting short- and long-term performance objectives appropriate to the working of the Company and its goals.
- While deciding the remuneration package to take into consideration current employment scenario and remuneration package of the industries operating in the similar comparable businesses in the geographical area of its operations.

**9. AGENDA, MINUTES & REPORTS**

Meeting of the Committee can be held whenever required. Minutes of all meetings of the Committee shall be prepared to document the discharge of responsibilities by the Committee. The minutes shall be approved at a subsequent meeting of the Committee and shall be distributed periodically to the full Board of Directors. The Company Secretary of the Company shall act as the Secretary/Convener of the Committee and ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

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**10. AMENDMENTS TO THE POLICY**

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

*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, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.*

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