

TWENTY FIVE SOUTH REALTY LIMITED

NOMINATION AND REMUNERATION POLICY

MODIFIED IN BOARD MEETING HELD ON DECEMBER 14, 2019



Raman

TWENTY FIVE SOUTH REALTY LIMITED
NOMINATION AND REMUNERATION POLICY

TABLE OF CONTENTS

SR. NO.	PARTICULARS	PAGE NO.
I.	PREAMBLE	4
II.	GUIDING PRINCIPLES	4
III.	OBJECTIVES OF THIS POLICY	4
IV.	DEFINITIONS	4-5
V.	TERMS OF REFERENCE	5
VI.	MEMBERSHIP OF THE N&RC COMMITTEE	6
VII.	CHAIRMAN OF THE N&RC COMMITTEE	6
VIII.	FREQUENCY OF MEETINGS	6
IX.	N&RC COMMITTEE MEMBERS' INTEREST	6
X	VOTING AT N&RC MEETINGS	6
XI.	APPOINTMENT AND REMOVAL OF EXECUTIVE AND NON-EXECUTIVE INDEPENDENT DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT PERSONNEL.	7
XII.	TENURE OF OFFICEP	7-8
XIII.	POLICY RELATING TO THE REMUNERATION	9-10
XIV.	FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS	10
XV.	IMPLEMENTATION OF POLICY	10
XVI.	DELEGATION OF AUTHORITY	10
XVII.	EXTERNAL ASSISTANCE	10
XVIII.	DISCLOSURE OF THE POLICY	10

Handwritten signature



XIX.	AMENDMENTS TO THE POLICY	11
	ANNEXURE- PERFORMANCE EVALUATION CRITERIA	12



TWENTYFIVE SOUTH REALTY LIMITED
NOMINATION AND REMUNERATION POLICY

1. PREAMBLE

- (i) Section 178 (2) and (3) of the Companies Act, 2013 (the Act) provides inter-alia that:

The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors, a policy relating to, the remuneration of the directors, key managerial personnel and other employees.'

The Nomination and Remuneration Committee shall 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 and shall carry out evaluation of every director's performance.'

- (ii) This Policy has been prepared and adopted in accordance with the applicable provisions of the Companies Act, 2013 ('the Act') read with the Companies (Amendment) Act, 2017 along with circulars issued thereunder including any statutory modifications or re-enactment thereof for the time being in force.

2. GUIDING PRINCIPLES

The objectives of this policy are to ensure that:

- (i) 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.
- (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmark.
- (iii) 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 goal.

3. OBJECTIVES OF THIS POLICY

This policy aims to formulate certain criteria for the following matters with regard to its directors, Key managerial personnel and senior management.

- (a) Selection, appointment and removal
(b) Recommendation of remuneration
(c) Evaluation of performance
(d) Board diversity

4. DEFINITIONS

- (i) 'Board' means the Board of Directors of the Company;



- (ii) 'Company' Means" Twenty Five South Realty Limited
- (iii) 'Directors' shall mean the Board of Directors of the company
- (iv) 'Independent Director' means a director referred to in section 149(6) of the Companies Act, 2013;
- (v) 'Key Managerial Personnel' means
 - Chief Executive Officer or the Managing Director or the manager
 - Company Secretary
 - Whole Time Director
 - Chief Financial Officer
 - Such other officer as may be prescribed
- (vi) **"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 (1) of SEBI Listing Regulations.
- (vii) **'Policy or This Policy'** means the 'Nomination and Remuneration Policy'
- (viii) **Senior Management** shall mean officers/personnel of the company who are members of its core management team excluding the board of directors and normally this shall comprise 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).

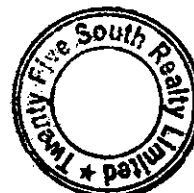
Words and expressions used in this policy but not defined shall have the same meaning as given in the Companies Act, 2013 read with Rules made there under and SEBI Listing Regulations, as may be amended from time to time.

5. TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE

The terms of reference of the Nomination and Remuneration Committee (N&RC) are as under:

- (i) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in this policy recommend to the Board their appointment and removal.
- (ii) to carry out evaluation of every director's performance;
- (iii) to formulate the criteria for determining the qualifications, positive attributes and independence of a director, and recommend to the Board a policy, relating to the remuneration for the directors;
- (iv) to formulate the criteria for evaluation of Independent Directors and the Board to devise a policy on Board diversity;
- (v) to recommend/review the remuneration of the Wholetime Director(s) and the Managing Director based on their performance and defined assessment criteria;
- (vi) to recommend to the Board all remuneration, in whatever form, payable to senior management
- (vii) to ensure that the level and composition of remuneration is reasonable and sufficient and the relationship of remuneration to performance is clear and meets appropriate performance benchmark.
- (viii) to assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board and to senior management.

RS



- (ix) to carry out any other functions as may be mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.

6. MEMBERSHIP OF THE N&RC COMMITTEE:

- (i) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement,
- (ii) The quorum for the meeting of N&RC shall be as per the corresponding provisions of the Act.
- (iii) Membership of the Committee shall be disclosed in the Annual Report.
- (iv) Terms of the Committee shall continue unless terminated by the Board.

7. CHAIRMAN OF THE N&RC COMMITTEE:

- (i) The Chairman of committee shall be as per the provisions of Companies Act, 2013.
- (ii) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as a chairman.
- (iii) The Chairman of the Committee may be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

8. FREQUENCY OF MEETINGS:

The N&RC shall meet at least once in a year or as frequently as committee may deem fit.

9. N&RC COMMITTEE MEMBERS' INTEREST:

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

10. VOTING AT N&RC MEETINGS

- (i) Matters arising for determination at a 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; and
- (ii) In the case of equality of votes, the Chairman of the meeting shall have a casting vote.



11. APPOINTMENT AND REMOVAL OF EXECUTIVE AND NON-EXECUTIVE INDEPENDENT DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT PERSONNEL:

Criteria for appointment of Directors, KMP and Senior Management.

- i. The Committee shall identify and formulate criteria for determining qualifications, positive attributes and independence of a Director, KMP and Senior Management,
- ii. The committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his/her appointment as per the Company's Policy;
- iii. A person should possess adequate qualification, expertise and experience for the position he/she is being considered for appointment based on the Company's strategy and needs,
- iv. The Committee shall have the discretion to decide whether qualification, expertise and experience possessed by a person is/are sufficient / satisfactory for the concerned position;
- v. The person to be appointed as Director, KMP or the senior management, should possess impeccable reputation for integrity, efficiency, expertise, insights and accomplishments in sectors or areas relevant to the Company's business;
- vi. The Committee while considering a person for appointment as Director shall verify that the person being appointed as a Director is not debarred from holding the office of director pursuant to any SEBI order.
- vii. The Committee shall consider the potential candidates on merit alone and the identified candidates shall be recommended to the Board for final selection and appointment;
- viii. The Committee shall ensure that the number of companies in which each director is a director is well below the limit specified under the Act and the SEBI Listing Regulations;
- ix. Presently, from April 1, 2019, a person shall not be a director in more than eight listed entities and not more than seven listed entities with effect from April 1, 2020;
- x. The Company shall not appoint or continue the employment of any person as Managing Director/Wholtime Director who has attained the maximum age prescribed under the Act and shall take necessary approvals from the shareholders in this regard in case of directors above the maximum age criteria.
- xi. The terms of appointment and subsequent retirement of KMPs and Senior Management shall be as per the provisions of the Act, SEBI Listing Regulations, other rules or regulations including any amendments made from time to time and prevailing policy of the Company; and
- xii. The Committee shall review the performance of the Board, KMP and Senior Management from time to time and establish succession plans in order to ensure uninterrupted functioning of the Board.

Tenure of Office

Executive Directors

The company shall appoint or re-appoint any person as its Managing Director or Whole Time Director for a term not exceeding 5(five) years at a time. No re appointment shall be made earlier than one year before the expiry of the term.

RS



Independent Director

- (i) An independent director shall hold office for a term upto five consecutive years on the Board of the company and will be eligible for re-appointment on passing of special resolution by the company and disclosure of such appointment in the Board's Report.
- (ii) An independent director shall not be liable to retire by rotation.
- (iii) No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for re-appointment after the expiry of three years of ceasing to be an independent director;
- (iv) Provided that the independent director shall not, during the said period of three years be appointed in or be associated with the company in any capacity, either directly or indirectly;
- (v) At the time of appointment of Independent director, the Committee shall ensure that the no. of Boards on which such independent director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent director in case such person is serving as a Whole Time Director of the company.
- (vi) Any person being appointed as an Independent Director shall not have any material pecuniary relationship with the Company, its holding, subsidiary or associate companies or the Company's Promoters or directors, except receiving remuneration as a director or having transaction not exceeding 10% of his total income or such amount as may be prescribed, during the current financial year or two immediately preceding financial years and also satisfies other criteria for determining independence as specified under the Act, SEBI Listing Regulations as may be amended from time to time.

Evaluation:

- (i) The performance evaluation of the Board, its Committees and Directors shall be carried out as per the provisions of the act.
- (ii) Each Director shall be provided with a questionnaire to be filled up, providing feedback on the overall functioning of the Board and its Committees;
- (iii) The questionnaire shall cover various parameters such as composition, execution of specific duties, participation in meetings, etc.
- (iv) The Committee shall monitor and review Board evaluation framework, conduct an assessment of the performance of the Board, each Board Committee, the Independent Directors and the Chairperson of the Board against criteria determined and approved by the Committee;
- (v) The performance evaluation of Independent Directors shall be done by the entire Board of Directors, (excluding the Director being evaluated), which shall include the performance of the directors and fulfillment of 'the independence criteria as. Specified in the Act.
- (vi) The Independent Directors shall meet at least once a year to review the performance of the Non-Independent Directors, the Chairperson of the Company taking into account the view of the Executive and the Non- Executive Directors and to assess the quality, quantity and timeliness of the flow of information between the company management and the Board; and
- (vii) The criteria for performance evaluation are given in Annexure I. However, these criteria are only suggestive and the Board /Directors may consider such other criteria as it/they may deem necessary for effective evaluation of performance.

RS



- **Removal:**

Due to any reason for any disqualification mentioned in the Companies Act, 2013, the Rules made thereunder or under any other applicable Act, Rules and Regulations, the Committee may recommend to the Board with reasons recorded in writing, the removal of a Director, KMP or Senior Management, subject to the provisions and compliance of the said Act, Rules and Regulations and the Policy of the Company.

- **Retirement**

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

POLICY RELATING TO THE REMUNERATION OF EXECUTIVE AND NON-EXECUTIVE/INDEPENDENT DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL

Remuneration Policy for Non-Executive/Independent Director:

- (i) The remuneration and commission to be paid to the Non-Executive / Independent Directors shall be in accordance with the statutory provisions of the Act and the Rules made thereunder for the time being in force;
- (ii) The Non-Executive/Independent Directors shall be paid remuneration by way of fees for attending the meeting of the Board/Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board/Committee or such amount as may be prescribed by the Central Government from time to time;
- (iii) The commission may be paid within the monetary limits approved by the shareholders, subject to the limits not exceeding 1% of the net profit of the Company computed as per the applicable provisions of the Act;
- (iv) An Independent Director shall not be entitled to any stock option of the Company.

The overall managerial remuneration shall not exceed 11% (eleven) percent of the net profit of the Company computed in the manner laid down in Section 198 of the Act,

Remuneration Policy for Non-Executive/Independent Director:

- (i) This Policy aims at attracting, retaining and motivating high caliber talent and ensures equity, fairness and consistency in rewarding the employees.
- (ii) The performance of the individual; as well as that of the Company from the basis of this Policy.
- (iii) The KMP, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR Policies and/or as may be approved by the Committee;



- (iv) The salary structure of the employees including KMP and Senior Management comprises of basic salary, perquisites, allowances and performance incentive. The salary involves a balance between fixed and variable pay which reflects the performance objective of the individual as against the earmarked Key Performance Indicator and the strategic objective and the performance of the Company;
- (v) The components of total remuneration vary for different grades of employees and are based on the qualifications and experience of the employee, responsibilities handled and the individual performance.
- (vi) In case any of the relevant Statute/Rules/Regulations require that the remuneration of KMPs, Senior Management of other employees of the Company is to be specifically approved by the Committee and/or the Board of Directors, then such approval(s) shall accordingly be obtained

SECRETARY OF THE COMMITTEE

Company Secretary shall act as a secretary to the Committee.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

The details of such programmes shall be disclosed on the Company's website and a web link thereto shall also be given in the Annual Report.

IMPLEMENTATION OF THE POLICY:

The N&RC Committee may issue guidelines, procedures, formats, reporting mechanism and manuals as supplement(s) to this Policy and for better implementation thereof.

DELEGATION OF AUTHORITY

Deviations from elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company shall be made if there is specific reason to do so in an individual case.

EXTERNAL ASSISTANCE

The Committee, may in its sole discretion, seek the advice of external experts/consultants at the Company's expense for enabling it to discharge its duties and responsibilities.

DISCLOSURE OF THE POLICY:

This Policy and the evaluation criteria shall be uploaded on the Company's website and be also disclosed in the Annual Report as part of the Board's Report therein.



AMENDMENTS TO THE POLICY:

This Policy is based on the requirements of the Companies Act, 2013 read with the Rules made thereunder and In case of any amendment(s), clarification(s), circular(s), etc., issued by the relevant authorities, not being consistent with the provisions of 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 stated under such amendment(s). The provisions in this Policy would then be modified in due course to make it/them consistent with law.

[The above Policy has been reviewed and modified by the Board of Directors at its meeting held on December 14, 2019.]



PERFORMANCE EVALUATION CRITERIA

1. Section 178 (2) of the Act stipulates that the Nomination and Remuneration Committee of Directors shall carry out evaluation of every Director's performance
2. Section 134 (3) (p) of the Act provides that there shall be attached to the Board's Report, a statement _ indicating the manner in which formal annual evaluation has been: made by the Board of its own performance and that of its Committees and individual Directors.
3. The assessment criteria for determining the effectiveness of Board / Director's performance is given below. However, these criteria are only suggestive / illustrative and the Board/ Directors may consider such other criteria as they may deem necessary for effective evaluation of performance.

BOARD OF DIRECTORS

1. Leadership.
2. Stewardship.
3. Contribution to achievement of corporate objectives.
4. Contribution to robust and effective risk management.
5. Communication of expectations and concerns clearly.
6. Assuring appropriate Board size, composition, independence, structure.
7. Timely resolution of issues at meetings.
8. Identify, monitor and mitigate significant corporate risks.
9. Effective meetings.
10. Company's approach to Corporate Governance.
11. Clearly defining roles and monitoring activities of Committees.
12. Review of Company's ethical conduct.
13. Assess policies, structures and procedures.
14. Communication of the Board with the management team, key managerial personnel and other employees.
15. Regular monitoring of corporate results against projections.
16. Accountability.
17. Review and approval of strategic operational plans, objectives and budgets.
18. Board's relationships inside and outside the boardroom.
19. Board's handling of crisis or problems.
20. Adequacy and quality of feedback to the management on its requirements.

