



GMR AIRPORTS LIMITED
(FORMERLY GMR AIRPORTS INFRASTRUCTURE LIMITED)

NOMINATION AND REMUNERATION
POLICY

Table of Contents

1. Introduction	3
1.1. Purpose of the Policy	3
1.2. Definitions	4
1.3. Interpretation	5
2. Nomination and Remuneration Committee	6
2.1. Role of the Committee	6
2.2. Composition of the Committee	7
2.3. Chairman of the Committee	7
2.4. Frequency of the Meetings of the Committee	7
2.5. Committee Member’s Interest	7
2.6. Voting at the Meeting.....	8
2.7. Minutes of the Meeting.....	8
3. Applicability	8
4. Appointment and Removal of Directors, KMP and Senior Management Personnel	9
4.1. Appointment criteria and qualifications.....	9
4.2. Term / Tenure.....	10
4.3. Familiarization Programme for Independent Directors	11
4.4. Evaluation	11
4.5. Removal.....	11
4.6. Retirement	11
5. Provisions relating to Remuneration of Managerial Personnel, KMP and Senior Management Personnel	12
5.1. General	12
5.2. Remuneration to Managerial Personnel, KMP, Senior Management and Other Employees.....	13
5.3. Remuneration to Non-Executive / Independent Director	13
6. Disclosures	14
7. Review and Amendment	15

1. INTRODUCTION

Pursuant to Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Board of Directors of every listed Company shall constitute a Nomination and Remuneration Committee. The Company has constituted a Nomination and Remuneration Committee as required by the Listing Regulations and the Companies Act, 2013.

1.1. Purpose of the Policy

The Key Objectives of the Committee are:

- (a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management, and formulate the criteria for determining qualifications, positive attributes and independence of a director.
- (b) To evaluate/specify the manner for effective evaluation of the performance of the members of the Board, its committees and individual Directors including Independent Directors, and provide necessary report to the Board for further evaluation.
- (c) To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel, Senior Management and other employees.
- (d) To ensure board diversity and optimum balance between Executive & Non-Executive Directors.

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 Airports Limited (Formerly GMR Airports Infrastructure Limited)."

1.2.3. "Compliance Officer" means a qualified company secretary appointed as the compliance officer under regulation 6 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1.2.4. "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.

1.2.5. "Independent Director" means a director referred to in Section 149 (6) of the Companies Act, 2013 and Regulation 16 of Listing Regulations.

1.2.6. "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.)*

1.2.7. "Managerial Personnel" shall mean Managing Director/Whole-time Director/Manager.

1.2.8. "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 the Regulation 19 of the Listing Regulations.

1.2.9. "Policy or This Policy" means, "Nomination and Remuneration Policy."

1.2.10. "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.

1.2.11. "Senior Management" means the officers and personnel of the listed entity who are members of its core management team, excluding the Board of

Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity.

1.3. Interpretation

Words and expressions used in this Policy shall have the same meanings respectively assigned to them in the following acts, listing agreement, regulations, rules.

- (i) The Companies Act, 2013 or the rules framed thereon;
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (iii) Securities Contracts (Regulation) Act, 1956;
- (iv) Securities and Exchange Board of India Act, 1992;
- (v) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (vi) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (vii) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

2. NOMINATION AND REMUNERATION COMMITTEE

2.1. Role of the Committee

- (1) formulation of 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;
- (2) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board 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 for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
- (3) formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (4) devising a policy on diversity of board of directors;
- (5) identifying 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.
- (6) 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.
- (7) recommend to the board, all remuneration, in whatever form, payable to senior management.
- (8) 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;
- (9) 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;
- (10) 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;
- (11) Ensuring that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors.

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-third shall be Independent Directors.
- (b) The Company Secretary of the Company shall act as Secretary of the Committee.
- (c) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and applicable statutory requirement.
- (d) 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.
- (e) Membership of the Committee shall be disclosed in the Annual Report.
- (f) Terms of the Committee shall be continued unless terminated by the Board of Directors.

2.3. Chairman of the Committee

- (a) Chairman of the Committee shall be an Independent Director.
- (b) Chairman of the Company whether executive or non-executive may be appointed as a member of the Committee but shall not Chair the Committee.
- (c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- (d) Chairman of the Nomination and Remuneration Committee shall be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

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 but not less than one meeting in a Financial 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 recorded in the minutes 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

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 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 personnel 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 and considering the Competency Matrix for the Board members.
- c. The Company shall not appoint or continue the employment of any person as Managing Director / Whole-time Director / Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- d. Further, the appointment and/or continuance of the directorship of any person as a non-executive director who has attained the age of seventy-five years can be done only if a special resolution is passed with suitable justification in explanatory statement, at the time of appointment or re-appointment or any time prior to the non-executive director attaining the age of seventy-five years, as the case may be. It being understood that special resolution be passed on every appointment and re-appointment, of a non-executive director who has attained the age of seventy-five years.
- e. The Company shall ensure that approval of shareholders for appointment or re-appointment of a person on the Board of Directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Provided that if such appointment or re-appointment is subject to approval of regulatory, government or statutory authorities, then the time taken to receive such approvals shall be excluded.
- f. The appointment or a re-appointment of a person, including as a managing director or a whole-time director or a manager, who was earlier rejected by the shareholders at a general meeting, shall be done only with the prior approval of the shareholders.
- g. The continuation of a director serving on the board of directors of a listed entity shall be subject to the approval by the shareholders in a general meeting at

least once in every five years from the date of their appointment or reappointment, as the case may be.

The above-mentioned requirement shall not be applicable to the Whole-Time Director, Managing Director, Manager, Independent Director or a Director retiring as per section 152(6) of the Companies Act, 2013, if the approval of the shareholders for the reappointment or continuation of the aforesaid directors or Manager is otherwise provided for by the provisions of Listing Regulations or the Companies Act, 2013 and has been complied with.

- h. The above-mentioned requirement shall not be applicable to the director appointed pursuant to the order of a Court or a Tribunal or to a nominee director of the Government on the board of a listed entity, other than a public sector company, or to a nominee director of a financial sector regulator on the board of a listed entity or director nominated by a financial institution registered with or regulated by the Reserve Bank of India under a lending arrangement in its normal course of business or nominated by a Debenture Trustee registered with the Board under a subscription agreement for the debentures issued by the Company.
- i. Any vacancy in the office of a director shall be filled by the listed entity at the earliest and in any case not later than three months from the date such vacancy.
- j. Any vacancy in the office of the Chief Executive Officer, Managing Director, Whole Time Director or Manager, Compliance Officer or the Chief Financial Officer shall be filled by the Company at the earliest and in any case not later than three months from the date of such vacancy. The Company shall not fill such vacancy by appointing a person in interim capacity, unless such appointment is made in accordance with the laws applicable in case of a fresh appointment to such office and the obligations under such laws are made applicable to such person. Provided that, except in case of Compliance Officer, where the listed entity is required to obtain approval of regulatory, government or statutory authorities to fill up such vacancies, then the vacancies shall be filled up by the listed entity at the earliest and in any case not later than six months from the date of vacancy.

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) An Independent Director shall hold office for a term up to five 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.
- (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.
- (c) At the time of appointment of Independent Director, it should be ensured that number 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/ Managing Director of a listed company.
- (d) 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 listed companies, provided that a person shall not serve as an independent director in more than seven listed entities.
- (e) The maximum number of companies in which a person can be appointed as a director, including any alternate Directorship shall not exceed twenty companies at the same time. For reckoning the limit of Directorships of twenty companies, the Directorship in a dormant company shall not be included.

Note: For the above purpose, the count for the number of listed entities on which a person is a director / independent director shall be only those whose equity shares are listed on a stock exchange.

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

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, or Personnel of Senior Management, 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. 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.

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.
- (b) The remuneration and commission to be paid to the Managerial Personnel shall be as per the statutory provisions of the Companies Act, 2013, the rules made thereunder for the time being in force and the Listing Regulations.
- (c) Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Personnel.
- (d) Where any insurance is taken by a company on behalf of its Managing Director, Whole-time Director, Manager, Chief Executive Officer, Chief Financial Officer or Company Secretary 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.

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.

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 approval required under the Act, where required, 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 special resolution within two years from the date the sum becomes refundable.

5.2.4.The remuneration to KMPs and Senior Management Personnel shall be governed by the Companies Act, 2013, the Listing Regulations and 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, the rules made thereunder, and the Listing Regulations 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, per meeting of the Board or Committee as prescribed under Companies Act, 2013.

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

The Non- Executive / Independent Director, shall in addition to the sitting fees be eligible for Remuneration/Commission subject to the limits applicable as per the provisions of the Companies Act, 2013 or such other amount approved by the Shareholders by way of Ordinary/Special resolution.

5.3.4. Stock Options

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

5.3.5. Fees for Professional Services

Director shall be eligible for remuneration of such professional services rendered if in the opinion of the Committee, the Director possesses the requisite qualification for rendering such professional services in accordance with applicable laws

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.

7. REVIEW AND AMENDMENT

This policy shall be subject to review by the Board of Directors as may be deemed necessary and to comply with any regulatory amendments or statutory modifications, preferably once every three years.

The Board of Directors may amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

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 notwithstanding the provisions hereunder from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc. and shall be deemed to be part of this policy.
