XANADU REALTY LIMITED

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NOMINATION AND REMUNERATION POLICY

Document Information and Version Control

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1. PREAMBLE

This policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("the Act").

In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail, and the Company shall abide by the applicable law.

2. OBJECTIVES OF THE POLICY

2.1 To formulate the criteria for identifying persons who are qualified to become Directors (Executive and non-executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.

3. DEFINITIONS

"Act" means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.

"**Board"** means Board of Directors of the Company

"Committee" means the Nomination and Remuneration Committee of the Board;

"Company" means Xanadu Realty Limited

"Director" means a director appointed to the Board of the Company

"**Independent Director"** means a Director referred to in Section 149 (6) of the Act

"Key Managerial Personnel (KMP)" means

i. the Managing Director or the Chief Executive Officer or the Manager and in their absence, a whole-time director
ii. the Company Secretary
iii. the Chief Financial Officer
iv. Such other officer as may be prescribed under the Act.

"Senior Management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Managing Director, Whole-time Director and the Chief Executive Officer, including the functional heads.

4. APPOINTMENT AND REMOVAL OF DIRECTORS, KMP AND SENIOR MANAGEMENT

4.1 Appointment criteria and qualifications

a. The Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as Director, KMP or Senior Management and recommend his/her appointment to the Board.

b. A person to be appointed as a Director, KMP or in the Senior Management team should possess adequate qualification, expertise and experience for the position he / she is considered for.

c. The candidate should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company and has ability to contribute to the Company's growth.

4.2. Additional criteria for appointment of Directors

a. Should be eligible for appointment as a Director on the Board and should not be disqualified in terms of Section 164 and other applicable provisions of the Act.

b. Should not hold directorship in more than twenty companies (including private and public limited companies) or ten public limited seven companies incorporated in India and Indian listed companies.

c. Should be able to devote sufficient time and efforts in discharge of duties and responsibilities effectively.

d. Re-appointment/ extension of term of any Board members shall be on the basis of their performance evaluation report.

e. Independent Directors should meet the baseline definition and criteria of "independence" as set out in Section 149 of the Act.

4.3. Term / Tenure

a. Managing Director / Whole-time Directors

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director 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.

b. Independent Directors

An Independent Director shall hold office for a term up to five consecutive years 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.

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.

c. Removal

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

d. Retirement

Directors, 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 Directors, KMP and Senior Management in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

5. REMUNERATION TO DIRECTORS, KMP AND SENIOR MANAGEMENT

5.1. General

a. Overall limits of remuneration of the Board members including Executive Board members are governed by the provisions of Section 197 of the Act and the Rules and shall be approved by the shareholders of the Company and shall be subject to availability of profits of the Company. The Board can determine the remuneration within the overall limit approved by the shareholders, on the recommendation of the Committee.

b. Remuneration / compensation / commission etc. to be paid will be determined by the Committee and recommended to the Board for approval.

c. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director/ Whole-time Director.

d. The Company may implement reward & retention schemes from time to time as per organizational needs. These shall be subject to approval of the Committee.

5.2 Remuneration to Directors

a. Remuneration to Directors, Managing Directors, whole time directors and managers shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder.

b. Non executive, non independent directors shall not be entitled to sitting fees for attending meetings of the Board and its Committees.

c. Independent Directors shall be entitled to a commission as may be approved by the Board in addition to sitting fees for attending Board / committee meetings. The aggregate commission payable shall be recommended by the Committee to the Board based on company performance, profits, return to investors, stakeholder value creation and any other significant qualitative parameters as may be decided by the Board. The Committee shall recommend to the Board the quantum of commission for each director based on the outcome of the evaluation process, including factors relating to attendance and time spent in the Board and committee meetings, individual contribution at meetings and contributions made by directors other than in meetings.

d. Independent directors shall not be entitled to any stock options.

e. Independent Directors may be paid sitting fees (for attending meetings of the Board and of committees of which they may be members) and commission within regulatory limits. Quantum of sitting fees may be subject to review on a periodic basis, as required.

f. The Company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his role as a director of the company, in addition to sitting fees and commission.

g. The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such Director in any other capacity unless the services rendered are of a professional nature and the Committee is of the opinion that the Director possesses requisite qualification for the practice of the profession.

h. Where any insurance is taken by the Company on behalf of its NonExecutive Directors, for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration

i. The Board, on the recommendation of the Committee, shall approve the remuneration payable to whole time and executive directors within the limits approved by the shareholders.

5.3 Remuneration to Key Managerial Personnel and Senior Management

a. The remuneration to KMP and senior management should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be: o Market competitive

o Driven by the role played by the individual.

o Consistent with recognized best practices.

b. Senior Management shall be assigned grades according to their qualifications, work experience and competencies and their role and responsibility in the organization. Individual remuneration shall be based on various factors such as job profile, skill sets, seniority, experience, performance and other benchmarking parameters.

c. Remuneration to KMP shall be a balance of fixed and a performance linked variable pay component as per Company policies. The performance linked variable pay shall be linked to individual and business performance. They shall also be entitled to annual increments which shall be reviewed and approved by the Committee at an organizational level. Additionally they may be paid / offered other benefits / perquisites as per Company policies.

6. POLICY IMPLEMENTATION

The Committee is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

7. MODIFICATION AND AMENDMENT

Any changes or modification to this Policy shall be recommended by the Committee to the Board for its approval. This Policy may be reviewed and amended by the Board as and when any changes are to be incorporated due to changes in the regulations or as thought necessary or appropriate by the Board.