

Remuneration Policy of Ashiana Housing Ltd.

The Board of Directors of Ashiana Housing Ltd. in their meeting held on 30th May, 2014 had reconstituted and renamed the Nomination and Remuneration Committee. This policy shall be in terms of section 178 of the Companies Act, 2013 alongwith applicable Rules and Clause 49 of the Listing Agreement.

The key objectives of this policy are:

1. To formulate a criteria for determining the qualifications and other attributes required for appointment as Director, Key Managerial Personnel and independence of Director;
2. To formulate a criteria for determining the remuneration of Directors of the company;
3. To formulate a criteria for determining the remuneration of Key Managerial Personnel, Senior Management and Other Employees of the company;
4. To formulate a criteria for evaluation of performance of the members of the Board, Key Managerial Personnel and to provide necessary report to the Board of Directors;
5. To ensure the right person is appointed for the right position;
6. To ensure 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;
7. To ensure relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
8. To ensure 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.

Definitions:

Act: Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time;

Board: Board means the Board of Directors of the company;

Director: Director means Directors of the company;

Key Managerial Personnel: Key Managerial Personnel means

- a) Chief Executive Officer or the Managing Director or the Manager;
- b) Whole Time Director;
- c) Chief Financial Officer; and
- d) Company Secretary

Senior Management: 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 executive directors, including the functional heads.

1. Criteria for nomination as Director, Key Managerial Personnel and Independence of a Director:

The committee shall identify and ascertain the qualification, expertise and experience, integrity of the person who would be recommended to the Board to be appointed as Director, Key Managerial Personnel and Senior Management. However, if any specific qualification is specified by or under any statute to appoint or hold any of these positions then the incumbent shall meet that criteria. Further, whether the incumbent possesses the requisite experience and expertise and has the ability, integrity and standing, which is required for the position open, is left to the wisdom of the Board.

The criteria for determining independence of a director shall be the same as is specified in the Companies Act, 2013 and Rules made thereunder, as amended from time to time, as well as in the corporate governance norms specified in the listing agreement executed with stock exchanges.

2. Criteria for determining Remuneration of Directors, Key Managerial Personnel and Senior Management Other Employees of the Company

For the purpose of determining the criteria of remuneration payable to directors, Key Managerial Personnel, Senior Management and Other Employees of the company, policy on this has been classified into four categories:

- a) Remuneration of Managing Director and Executive Director;
- b) Remuneration of Non-Executive Director; and
- c) Remuneration of Key Managerial Personnel, Senior Management and Other Employees

The remuneration of Managing Director, Executive and Non Executive Directors of the Company shall be reviewed by the Nomination and Remuneration Committee and then recommended to the Board of Directors of the Company for their approval.

While reviewing and recommending the said remuneration the Committee shall ensure that the objectives stated in this policy are served and shall take into consideration the industry benchmarks, the Company's performance vis- à- vis the industry, responsibilities shouldered, performance/track record, macro-economic review and remuneration packages of heads of similar other organisations and thereafter the remuneration will be decided by the Board of Directors.

a) Remuneration of Managing Director, Executive Directors

The Company may pay remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and/or commission (variable components) to its Managing Director and Executive Directors within the limits prescribed under the provisions of the Companies Act, 2013 and Rules made thereunder as amended from time to time and as approved by shareholders of the Company. However, in case of loss or inadequate profits the remuneration shall be paid as prescribed under the Companies Act, 2013 and Rules made thereunder. Further, the Managing Director and Whole Time Directors may receive remuneration, in any form, from any holding or subsidiary company of Ashiana Housing Ltd. subject to the provisions of the Companies Act, 2013 and Rules made thereunder. The remuneration payable to directors shall 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.

b) Remuneration of Non Executive Directors

The Company may pay remuneration to Non Executive Directors by way of Commission within the limits prescribed under the Companies Act, 2013 and Rules made thereunder as amended from time to time and as approved by shareholders of the Company. However, the Independent Directors shall not be entitled to any Stock Option. The remuneration payable to the Non Executive directors shall be based on their participation and contribution at the Board and Committee meetings, in which they would be member or chairman, as well as time spent on matters other than at such meetings.

Further, the Company may pay to non-executive directors sitting fee in terms of the provisions of the Companies Act, 2013 and Rules made thereunder, for attendance at each meeting of the Board, Audit Committee, Executive Committee, Nomination and Remuneration Committee or any other Committee whether constituted under the Companies Act, 2013 or any other law for the time in force. Further, the Company may also pay sitting fees to directors attending as Special Invitees to the committees in which they are not members. The Company may also reimburse to Directors for attending meetings held at a city other than the one in which the Directors reside.

c) Remuneration of Key Managerial Personnel, Senior Management Personnel and Other Employees

The Company may pay remuneration to Key Managerial Personnel, Senior management personnel and other employees by way of basic pay, perquisites, allowances and performance incentives. The components of the total remuneration may vary for different employee grades and may be governed by industry patterns, qualifications and experience of the employee, responsibilities handled by them, their individual performances, etc. The annual variable pay of senior management personnel may be linked to the Company's performance in general and their individual performance for the relevant year and may be measured against specific major performance areas which are closely aligned to the Company's objectives.

3. Evaluation of performance of the members of the Board, Key Managerial Personnel

The committee shall carry out evaluation of performance of every Director, Key Managerial Personnel, and Senior Management Personnel at regular interval (Yearly).