

**HLV LIMITED**  
**(Formerly Hotel Leelaventure Limited)**

**Policy on Remuneration Policy / Criteria**

**(EFFECTIVE FROM 1<sup>ST</sup> APRIL, 2019)**

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**REMUNERATION POLICY / CRITERIA**

The remuneration to the Board of Directors of the Company is broadly governed by the provisions of the Companies Act 2013. Executive Directors and Senior Management Personnel are eligible to receive a fixed remuneration on a monthly basis. The aim of providing fixed remuneration is to attract and retain qualified and talented professionals. The fixed remuneration is determined based on market standards and the Company's specific requirements. The Board of Directors evaluates the fixed remuneration of Executive Directors annually based on the performance of the Company, the prevailing market trends and the individual performance. Apart from the fixed remuneration, the Managing Directors are eligible for commission linked to profit of the Company as may be decided by the Board, subject to adequacy of profits and approval of the shareholders. The Non-executive and Independent Directors are entitled to receive sitting fee and commission as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors within the limits as laid down under the Companies Act, 2013.

**(I) CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES & INDEPENDENCE OF DIRECTOR**

**1. Qualifications of Independent Director**

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

**2. Positive attributes of Independent Directors**

An independent director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity; act objectively and constructively; exercise his responsibilities in a bona-fide manner in the interests 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.

### **3. Independence of Independent Directors**

An Independent director should meet the requirements of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 concerning independence of directors.

#### **(II) REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

##### **A. Non-Executive Directors (NEDs)**

NEDs shall be paid a sitting fee of Rs. 30,000 for every meeting of the board or committee thereof attended by them as member.

The Board shall have the flexibility to enhance the sitting fees up to the maximum limit allowed by the Companies Act, 2013 and Rules thereunder.

The Company would pay a commission up to an aggregate amount not exceeding 1% of net profits of the Company during a financial year to the NEDs, subject to adequacy of profits and the approval of the shareholders.

The payment of commission to each NED shall be at the discretion of the Board, based on the following criteria:

- . Performance of the Company during the particular Financial Year
- . Attendance at the meetings of the Board and Committees
- . Reviewing the Industry practices and bench marks
- . Adherence to Corporate Governance norms during the discussions and proceedings of the Board / Committees
- . Timely guidance to the Board on important policy matters of the Company

The Company at present has no stock options plans to directors.

##### **B. Managing Directors, Executive Directors, Key Managerial Personnel and Senior Management.**

The remuneration of Executive Directors are determined / reviewed on the recommendation of the Nomination and Remuneration Committee and approval by the Board of Directors and shareholders / Central Government. The remuneration is determined taking into account the Company's overall performance, individual contribution to the Company and trends in the industry in general. In the event of losses or inadequacy of profits, the remuneration will be within the ceilings applicable under the Companies Act, 2013 or with the prior approval of the shareholders and Central Government for payment of higher remuneration.

The Company at present has no stock options and hence, such instruments do not form part of their remuneration package.

Remuneration to Key Managerial Personnel and Senior Management Personnel, who are members of the core management team (excluding the Board of Directors) comprising of all members of management one level below the Chief Executive Officer./Managing Director/ whole time Director (including CEO/Manager, in case they are not part of the Board) including Company Secretary and Chief Financial Officer, are determined / reviewed / and recommended to the Board by the Nomination and Remuneration Committee considering short and long term performance objectives appropriate to the working of the Company and its goals and the market trends.

The above criteria and policy are subject to review / revision by the Nomination and Remuneration Committee and the Board of Directors of the Company.

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