

NOMINATION AND REMUNERATION POLICY

I-STAY HOUSING LTD.

Policy Owner: Human Resources / Company Secretariat

Approved By: Board of Directors

Effective Date: _____

Policy Version: _____

1. INTRODUCTION

I-Stay Housing Pvt. Ltd. (hereinafter referred to as the “**Company**”) recognises that the quality, competence, integrity and commitment of its Directors, Key Managerial Personnel and Senior Management are critical to the Company’s continued growth and long-term success.

The Company therefore seeks to adopt a transparent and structured approach for identifying, appointing, evaluating and remunerating persons entrusted with key responsibilities within the organisation.

This **Nomination and Remuneration Policy** (“Policy”) has been formulated to establish appropriate principles and procedures relating to:

- identification and selection of suitable persons for appointment as Directors, Key Managerial Personnel (“KMP”) and Senior Management;
- determining appropriate qualifications, experience and competencies for such positions;
- performance evaluation of Directors and senior personnel;
- remuneration and compensation structures;
- succession and retention of key personnel; and
- ensuring that remuneration is aligned with the Company’s objectives, performance and long-term interests.

The Policy shall be implemented in accordance with the provisions of the Companies Act, 2013 and other applicable laws, rules and regulations, as amended from time to time.

In the event of any inconsistency between this Policy and a mandatory statutory requirement, the applicable law shall prevail.

2. OBJECTIVES OF THE POLICY

The principal objectives of this Policy are to:

- a. Establish a fair, transparent and consistent framework for appointment and remuneration of Directors, KMP and Senior Management;
 - b. Identify individuals possessing the appropriate qualifications, experience, integrity, skills and competence required for positions of responsibility;
 - c. Ensure that appointments are made on merit and in the best interests of the Company;
 - d. Provide a remuneration structure capable of attracting, motivating and retaining competent and capable personnel;
 - e. Link appropriate elements of remuneration with individual and organisational performance;
 - f. Promote accountability and responsible leadership;
 - g. Establish appropriate criteria for evaluating the performance of Directors and senior personnel;
 - h. Support effective succession planning for key positions; and
 - i. Ensure that remuneration and appointment practices remain consistent with applicable law and sound corporate governance principles.
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3. DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the meanings set out below:

3.1 “Act”

Means the Companies Act, 2013, together with the rules made thereunder, as amended or replaced from time to time.

3.2 “Board”

Means the Board of Directors of I-Stay Housing Pvt. Ltd.

3.3 “Committee”

Means the **Nomination and Remuneration Committee (“NRC”)** constituted by the Board, wherever such Committee is required or constituted by the Company.

3.4 “Company”

Means **I-Stay Housing Pvt. Ltd.**

3.5 “Director”

Means a person appointed as a Director on the Board of the Company.

3.6 “Independent Director”

Means an Independent Director appointed in accordance with the applicable provisions of the Companies Act, 2013 and other applicable laws.

3.7 “Key Managerial Personnel” or “KMP”

Means such officers of the Company as are designated as Key Managerial Personnel under the Companies Act, 2013 and applicable regulations.

3.8 “Senior Management”

Means personnel forming part of the Company’s senior leadership and management structure, other than members of the Board, and such other personnel as may be designated by the Company from time to time.

3.9 “Remuneration”

Includes salary, fees, commission, incentives, benefits, perquisites, performance-linked compensation and other monetary or non-monetary compensation payable to eligible Directors, KMP or Senior Management, as applicable.

4. ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE

Where constituted, the Nomination and Remuneration Committee shall assist the Board in matters relating to:

- a. Identification and recommendation of suitable candidates for appointment to the Board and key managerial positions;
- b. Determination of appropriate qualification, experience and competency requirements for senior positions;
- c. Evaluation of the performance of Directors and senior personnel;
- d. Recommendation of remuneration and compensation structures;
- e. Review of succession requirements for key positions;
- f. Recommendation of appropriate incentives and retention measures;
- g. Periodic review of remuneration practices; and
- h. Such other responsibilities as may be assigned to it by the Board or prescribed under applicable law.

The Committee shall exercise its responsibilities objectively and in accordance with the Company's interests and applicable legal requirements.

5. PRINCIPLES GOVERNING APPOINTMENT

The Company shall seek to appoint persons who possess the appropriate combination of:

- Integrity and sound ethical values;
- Relevant qualifications;
- Professional knowledge;
- Industry or functional experience;
- Leadership capability;
- Strategic thinking;
- Decision-making ability;
- Commitment to the Company's objectives; and
- Sufficient time and ability to discharge the responsibilities associated with the position.

The selection process should also take into consideration the specific requirements of the position and the Company's current and future business needs.

No person shall be recommended for appointment merely on the basis of personal relationship or association, where such appointment would not be in the interests of the Company.

6. CRITERIA FOR APPOINTMENT OF DIRECTORS

A person proposed to be appointed as a Director should, as applicable:

- a. Meet the eligibility requirements prescribed under the Companies Act, 2013 and other applicable laws;
- b. Possess appropriate qualifications, knowledge, experience and expertise relevant to the Company's business or the responsibilities of the position;
- c. Have a reputation for integrity, honesty and sound professional conduct;
- d. Be capable of exercising independent and objective judgment where required;
- e. Be able to devote adequate time and attention to Board responsibilities;
- f. Not be subject to any statutory disqualification from appointment;

- g. Disclose all relevant interests, relationships and circumstances which may give rise to a conflict of interest; and
- h. Possess such other qualities or competencies as may be considered appropriate by the Board or Committee.

The Company may consider diversity of knowledge, experience, professional background, skills and perspectives while making Board appointments.

7. APPOINTMENT OF KMP AND SENIOR MANAGEMENT

Persons considered for KMP or Senior Management positions should possess qualifications, experience, competence and leadership capabilities appropriate to the relevant role.

The assessment may include:

- Educational and professional qualifications;
- Relevant industry experience;
- Functional expertise;
- Leadership and managerial capability;
- Past performance;
- Integrity and professional reputation;
- Problem-solving and decision-making ability;
- Ability to work in accordance with the Company's values; and
- Ability to contribute towards the Company's strategic and operational objectives.

The Company may also consider succession requirements and future organisational needs while making such appointments.

8. PERFORMANCE AND RE-APPOINTMENT

The continuation or re-appointment of Directors and key personnel may take into account their performance, contribution, conduct, attendance, leadership effectiveness and ability to fulfil the responsibilities associated with their position.

In the case of Directors, the Board may consider the outcome of the applicable performance evaluation process while determining whether a Director should be re-appointed or whether the term of appointment should be extended.

The Board may also consider changing business requirements, succession plans and the continuing relevance of the individual's skills and experience.

9. TENURE OF DIRECTORS

The appointment and tenure of Managing Directors, Whole-time Directors, Independent Directors and other Directors shall be governed by the provisions of the Companies Act, 2013, the Company's Articles of Association and other applicable legal requirements.

Where a specific statutory term or tenure applies, the Company shall comply with such requirement.

Any re-appointment shall be subject to the applicable approval process and the Board's assessment of the individual's continued suitability for the role.

10. REMOVAL OF DIRECTORS, KMP AND SENIOR MANAGEMENT

The appointment of a Director, KMP or Senior Management employee may be reviewed or terminated in accordance with applicable law, the terms of appointment, employment conditions and Company policies.

Where a person becomes disqualified under applicable law or is found to have committed serious misconduct, breach of duty, fraud, unethical conduct or any other material violation, appropriate action may be recommended to the Board or competent authority.

Any removal of a Director shall be undertaken strictly in accordance with the applicable provisions of the Companies Act, 2013, the Company's Articles of Association and other relevant requirements.

11. RETIREMENT

Directors, KMP and Senior Management shall retire or cease to hold office in accordance with applicable statutory requirements, their terms of appointment and the Company's prevailing policies.

Where legally permissible and considered beneficial to the Company, the Board may consider continuation, re-engagement or extension of services based on the individual's performance, experience, business requirements and organisational needs.

12. PRINCIPLES GOVERNING REMUNERATION

The Company's remuneration philosophy shall seek to achieve a balance between:

- attracting and retaining capable personnel;
- rewarding performance and contribution;
- maintaining internal equity;

- remaining competitive with relevant market practices;
- aligning remuneration with the Company's financial and operational performance; and
- complying with applicable statutory requirements.

Remuneration should be reasonable in relation to the responsibilities of the position and the Company's size, performance, financial position and business requirements.

13. REMUNERATION OF EXECUTIVE DIRECTORS

The remuneration payable to Managing Directors, Whole-time Directors and other Executive Directors shall be determined in accordance with applicable law and within the limits approved by the shareholders, wherever such approval is required.

The remuneration structure may comprise:

- a. Fixed salary or remuneration;
- b. Performance-linked incentives;
- c. Commission, where applicable;
- d. Perquisites and benefits;
- e. Retirement or other statutory benefits; and
- f. Other components approved in accordance with applicable law and Company policy.

The overall compensation should appropriately reflect the responsibilities, experience, performance and contribution of the Executive Director.

14. REMUNERATION OF NON-EXECUTIVE DIRECTORS

The remuneration of Non-Executive Directors shall be determined in accordance with applicable law and the approvals required under the Company's governance framework.

Where permitted, Non-Executive Directors may receive:

- Sitting fees for attending Board or Committee meetings;
- Commission;
- Reimbursement of reasonable expenses incurred in connection with their Board responsibilities; and
- Such other permissible payments as may be approved in accordance with law.

The level of remuneration shall take into consideration factors such as the Company's performance, the responsibilities undertaken by the Director, participation in Board and Committee proceedings and overall contribution.

15. REMUNERATION OF INDEPENDENT DIRECTORS

Independent Directors shall be compensated in accordance with applicable law and approvals obtained by the Company.

Where permissible, their compensation may include:

- a. Sitting fees for attending Board and Committee meetings;
- b. Commission or other permissible remuneration;
- c. Reimbursement of reasonable expenses incurred in connection with the discharge of their duties; and
- d. Such other benefits as may be legally permissible.

The amount of commission or other performance-related compensation, where applicable, may take into consideration:

- Overall Company performance;
- Financial results;
- Long-term value creation;
- Attendance and participation in meetings;
- Individual contribution;
- Committee responsibilities; and
- Other relevant qualitative and quantitative factors.

Independent Directors shall not be granted stock options except where expressly permitted by applicable law.

16. REIMBURSEMENT OF EXPENSES

Directors may be reimbursed for reasonable and properly incurred expenses relating to the discharge of their official responsibilities.

Such expenses may include travel, accommodation, professional consultation and other legitimate expenses incurred for Company-related purposes.

Reimbursement shall be subject to the Company's applicable policies and approval procedures.

17. REMUNERATION FOR PROFESSIONAL SERVICES

Where a Director provides professional or specialised services to the Company in a capacity separate from his or her role as a Director, any remuneration for such services shall be subject to applicable law and appropriate disclosure and approval requirements.

The Company shall ensure that such arrangements are entered into only where the services are genuinely required and the Director possesses the necessary professional qualifications and expertise.

18. INSURANCE AND INDEMNIFICATION

Where permitted by law and considered appropriate, the Company may obtain directors' and officers' liability insurance or other appropriate insurance coverage for its Directors and officers.

The payment of insurance premiums by the Company for such coverage shall be treated in accordance with applicable law and shall not, merely by reason of such payment, be regarded as remuneration unless otherwise required by law.

19. REMUNERATION OF KMP AND SENIOR MANAGEMENT

The remuneration framework for KMP and Senior Management shall be designed to attract and retain capable individuals while ensuring that compensation remains aligned with their responsibilities and performance.

Remuneration may be determined with reference to:

- Nature and complexity of the role;
- Qualifications and professional expertise;
- Relevant experience;
- Seniority;
- Individual performance;
- Business performance;
- Market benchmarks;
- Internal parity;
- Scope of responsibility; and
- Strategic importance of the position.

The Company may adopt appropriate grades, salary bands or compensation structures for different categories of Senior Management.

20. FIXED AND PERFORMANCE-LINKED COMPENSATION

Where appropriate, remuneration of KMP and Senior Management may comprise both fixed and performance-linked components.

Performance-linked remuneration may be determined with reference to a combination of:

- a. Individual performance;
- b. Departmental performance;
- c. Company-wide financial and operational performance;
- d. Achievement of agreed objectives and targets;
- e. Quality and sustainability of results;
- f. Leadership and behavioural competencies; and
- g. Compliance with Company policies and ethical standards.

Performance incentives shall not be structured in a manner that encourages excessive risk-taking, unethical practices or actions contrary to the Company's long-term interests.

21. INCREMENTS AND REVISION OF REMUNERATION

Salary revisions and annual increments for KMP and Senior Management may be considered periodically based on:

- Individual performance;
- Achievement of agreed objectives;
- Company performance;
- Market conditions;
- Internal compensation structures;
- Inflation and economic conditions; and
- Availability of resources and business requirements.

Any revision shall be subject to the approval mechanism prescribed by the Company.

For Executive Directors, remuneration revisions shall additionally remain within the limits and approvals prescribed under applicable law.

22. REWARD AND RETENTION MECHANISMS

The Company may introduce appropriate reward, incentive and retention programmes from time to time to retain employees and key managerial talent.

Such programmes may include, where appropriate:

- Performance incentives;
- Special achievement awards;
- Retention incentives;
- Long-service recognition;
- Leadership development opportunities;
- Additional benefits or perquisites; and
- Other reward mechanisms approved by the Company.

All such programmes shall be subject to applicable law and the Company's internal approval framework.

23. PERFORMANCE EVALUATION

The Company shall endeavour to maintain an appropriate mechanism for evaluating the performance of Directors and senior personnel.

Performance evaluation may consider:

- a. Achievement of agreed objectives;
- b. Quality and effectiveness of decision-making;
- c. Contribution to Board deliberations;
- d. Attendance and participation;
- e. Leadership and strategic contribution;
- f. Compliance with legal and ethical standards;
- g. Contribution towards business growth and stakeholder value; and
- h. Other relevant factors appropriate to the individual's role.

The outcome of performance evaluation may be considered while determining re-appointment, remuneration, incentives and other aspects of the individual's engagement with the Company.

24. SUCCESSION PLANNING

The Company shall endeavour to maintain appropriate succession plans for key leadership and managerial positions.

The objective of succession planning shall be to:

- Ensure continuity of leadership;
- Identify potential internal talent;
- Develop suitable successors;
- Reduce dependence on individual personnel;
- Ensure timely replacement of key positions; and
- Support the Company's long-term business objectives.

The Board and/or Committee may periodically review succession requirements for critical positions.

25. GOVERNANCE AND TRANSPARENCY

All appointments and remuneration decisions shall be undertaken with due regard to transparency, fairness, applicable legal requirements and the best interests of the Company.

The Company shall maintain appropriate documentation and approvals in respect of material appointments, remuneration decisions and related matters.

Where disclosures are required under applicable law, the Company shall make such disclosures within the prescribed time and manner.

26. RESPONSIBILITY FOR IMPLEMENTATION

The Nomination and Remuneration Committee, where constituted, shall be responsible for making recommendations to the Board in respect of matters covered by this Policy.

The Board shall have overall responsibility for approving and overseeing the implementation of the Policy.

The Human Resources function, Company Secretariat or such other department/person designated by the Company shall assist in implementing the decisions taken under this Policy.

27. REVIEW OF THE POLICY

This Policy shall be reviewed periodically to ensure that it remains appropriate to the Company's organisational requirements, remuneration philosophy and applicable legal framework.

The Policy may be reviewed earlier where:

- There is a change in applicable law;
 - Regulatory requirements are modified;
 - There is a significant change in the Company's organisational structure;
 - The Board considers changes necessary or desirable; or
 - Experience indicates that amendments are required to improve the effectiveness of the Policy.
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28. AMENDMENT

Any amendment or modification to this Policy shall be considered and recommended by the Nomination and Remuneration Committee, where constituted, and shall be subject to approval by the Board.

The Board may amend or revise the Policy from time to time to ensure continued compliance with applicable law and alignment with the Company's business and governance requirements.

29. EFFECTIVE DATE

This Policy shall come into effect from the date approved by the Board of Directors of I-Stay Housing Pvt. Ltd. and shall remain effective until amended, replaced or withdrawn.

For I-STAY HOUSING PVT. LTD.

Approved By: _____

Designation: _____

Date of Approval: _____

Effective Date: _____

Policy Version: _____