NOMINATION AND REMUNERATION POLICY

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I. INTRODUCTION

The Companies Act, 2013 ("the Act") read with the rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, require every listed company to formulate a policy relating to the appointment and remuneration of Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel and other employees.

This Nomination and Remuneration Policy ("Policy") has been formulated by the Nomination and Remuneration Committee ("Committee") of Grand Continent Hotels Limited ("Company") pursuant to the provisions of Section 178 of the Act and the applicable provisions of the SEBI Listing Regulations.

The Policy provides a framework for identifying, appointing and evaluating Directors, KMP and Senior Management Personnel and lays down the principles governing their remuneration, succession planning and Board diversity, with the objective of promoting effective corporate governance and creating long-term value for the stakeholders of the Company.

II. NOMINATION AND REMUNERATION PHILOSOPHY

Grand Continent Hotels Limited believes that its people are its most valuable asset and that effective leadership is fundamental to achieving sustainable growth and maintaining high standards of corporate governance.

The Company endeavours to attract, retain and motivate competent professionals possessing the necessary qualifications, experience, integrity and leadership capabilities required for the efficient management of its business.

The Company's nomination and remuneration philosophy seeks to establish a fair, transparent and merit-based framework for appointment and remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and other employees. The remuneration structure is designed to appropriately recognize individual performance, responsibilities, experience, industry practices and the overall performance of the Company while aligning the interests of management with the long-term interests of the Company and its stakeholders.

The Nomination and Remuneration Committee administers this Policy and periodically reviews its implementation to ensure continued compliance with the applicable statutory requirements and evolving governance practices.

III. ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall, inter alia:

- identify persons qualified to become Directors and who may be appointed in Senior Management;
- recommend to the Board the appointment, re-appointment and removal of Directors, KMP and Senior Management Personnel;

- formulate the criteria for determining qualifications, positive attributes and independence of Directors;
- recommend to the Board a policy relating to remuneration of Directors, KMP, Senior Management Personnel and other employees;
- carry out the performance evaluation of the Board, its Committees, individual Directors, KMP and Senior Management Personnel;
- formulate and oversee succession planning for the Board, KMP and Senior Management Personnel;
- devise and periodically review the Board Diversity Policy; and
- perform such other functions as may be assigned by the Board or required under applicable law.

IV. REMUNERATION OF DIRECTORS, KMP, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES

The Company believes that a fair, transparent and performance-oriented remuneration framework is essential for attracting, motivating and retaining competent professionals and fostering long-term value creation for all stakeholders.

The remuneration payable to Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel and other employees shall be determined having regard to the nature of duties, level of responsibility, qualifications, experience, individual performance, the Company's performance, industry practices and the prevailing market conditions.

The remuneration shall be structured in a manner that appropriately balances fixed and variable components, wherever applicable, while ensuring alignment with the Company's long-term strategic objectives and the interests of its stakeholders.

The remuneration of Directors and KMP shall be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and the Members of the Company, wherever required under the provisions of the Companies Act, 2013 and other applicable laws. The remuneration of Senior Management Personnel and other employees shall be determined by the management of the Company in accordance with the Company's internal policies and applicable statutory requirements.

In determining the remuneration of Directors, KMP, Senior Management Personnel and other employees, the following principles shall, inter alia, be considered:

- maintaining an appropriate balance between fixed and performance-linked remuneration, wherever applicable;
- aligning remuneration with the Company's financial and operational performance;
- recognising individual performance, competencies, experience and responsibilities;
- benchmarking remuneration with comparable industry practices;
- promoting meritocracy, fairness and internal equity; and
- ensuring compliance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws.

A. Executive Directors (Managing Director/ Whole-time Director

- The remuneration payable to the Managing Director and Whole-time Director may consist of salary, allowances, perquisites, performance-linked incentives, retirement benefits and such other benefits as may be approved by the Board and the Members of the Company, wherever required.

- The remuneration shall be commensurate with the individual's responsibilities, experience, qualifications, performance and the overall financial performance of the Company and shall be within the limits prescribed under the Companies Act, 2013 or such other limits as may be approved by the Members of the Company.

B. Non-Executive Directors/ Independent Directors

The remuneration payable to Non-Executive Directors/Independent Directors shall be in accordance with the provisions of the Companies Act, 2013 and the applicable SEBI Listing Regulations.
Non-Executive Directors/ Independent Directors may receive:

- Sitting Fees;
- The remuneration, including commission, payable to the Non-Executive Directors/ Independent Directors (excluding sitting fees for attending meetings of the Board or Committees thereof, as provided under Section 197(5) of the Companies Act, 2013), shall be within the limits prescribed under the Companies Act, 2013, the rules made thereunder and other applicable laws, as amended from time to time. The amount of such remuneration or commission shall be as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and/or the Members of the Company, wherever required under applicable law.
- Reimbursement of expenses incurred for attending meetings of the Board, Committees or otherwise in connection with the discharge of their responsibilities.
- Independent Directors shall not be entitled to any stock options of the Company.

C. Key Managerial Personnel and Senior Management Personnel

The remuneration payable to KMP and Senior Management Personnel shall be based on their qualifications, experience, responsibilities, individual performance, leadership capabilities, market practices and the Company's performance.

The remuneration structure may comprise fixed pay, performance-linked incentives, retirement benefits and such other benefits as may be determined by the Board or the management, as applicable.

V. BOARD DIVERSITY

- The Company believes that a diverse Board enhances the quality of decision-making and promotes effective corporate governance.

- The Committee shall endeavour to maintain an appropriate balance of skills, knowledge, experience, gender, age, professional background and diversity of thought while recommending appointments to the Board.

- Appointments shall be made strictly on merit while considering the overall composition and requirements of the Board.

VI. SUCCESSION PLANNING

The Committee shall periodically review the succession planning framework for Directors, KMP and Senior Management Personnel to ensure continuity of leadership and effective management of the Company's affairs.

The succession planning process shall include identification of critical positions, assessment of potential internal and external candidates and leadership development initiatives, wherever considered necessary.

VII. PERFORMANCE EVALUATION

The Committee shall carry out annual performance evaluation of the Board, its Committees, individual Directors, Key Managerial Personnel and Senior Management Personnel in accordance with the provisions of the Act, the SEBI Listing Regulations and the applicable governance framework adopted by the Company.

The evaluation shall take into consideration, inter alia, attendance, participation, strategic contribution, leadership, governance practices, achievement of business objectives and overall contribution towards the growth and performance of the Company.

AMENDMENT

The remuneration, including commission, payable to the Non-Executive Directors/ Independent Directors (excluding sitting fees for attending meetings of the Board or Committees thereof, as provided under Section 197(5) of the Companies Act, 2013), shall be within the limits prescribed under the Companies Act, 2013, the rules made thereunder and other applicable laws, as amended from time to time. The amount of such remuneration or commission shall be as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and/or the Members of the Company, wherever required under applicable law.