

GUJARAT HOTELS LIMITED

Remuneration Policy

The Company's Remuneration Policy is designed to attract and retain quality talent that gives its business a competitive advantage and enables the Company to achieve its objectives.

The Company's Remuneration Policy, whilst focusing on remuneration and related aspects of performance management, is aligned with and reinforces the employee value proposition of a superior quality of work life, that includes an enabling work environment, an empowering and engaging work culture and opportunities to learn and grow. The approach endeavors to align remuneration of each employee with the Company's goals.

a) Objectives

1. To ensure that the Company's remuneration practices support and encourage meritocracy.
2. To ensure that remuneration is marketrelated and takes into account the competitive context of the Company's business.
3. To leverage remuneration as an effective instrument to enhance performance and therefore to link the remuneration to both individual and collective performance outcomes.
4. To adopt a comprehensive approach to remuneration in order to support a superior quality of personal and work life, in a manner so as to judiciously balance short term with long term priorities.
5. To design remuneration practices such that they reinforce the Company's values and culture and to implement them in a manner that complies with all relevant regulatory requirements.

b) Remuneration of Key Managerial Personnel (KMPs)

1. Remuneration of KMPs is determined and recommended by the Nominations and Remuneration Committee and approved by the Board. Remuneration of the Whole-time / Managing Director is also subject to approval by the shareholders.
2. Remuneration is reviewed and revised periodically, when such a revision is warranted.

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3. Apart from fixed elements of remuneration and benefits, KMPs are also eligible for Variable Pay / Performance Bonus, which is linked to individual performance.
4. Remuneration of KMPs on deputation from ITC Limited is aligned to the Remuneration Policy of that company.

c) Remuneration of Independent Directors

Independent directors are entitled to sitting fees for attending meetings of the Board and Board Committees, the quantum of which is determined by the Board within the limits prescribed under the Companies Act, 2013, and the rules thereunder. The expenses of the Independent Directors for attending meetings of the Board and Board Committees and General Meetings are also to be borne by the Company.

d) Remuneration of employees other than KMPs

1. Remuneration of employees other than KMPs, is fixed in consultation with Hotels Division of ITC Limited, as the employee costs are borne as per the Operating Licence Agreement the Company has with ITC Limited.
2. Remuneration of employees largely consists of basic remuneration, perquisites and allowances. The components of remuneration vary for different employee grades and are governed by industry pattern, qualification and experience of the employee, responsibilities handled, individual performance etc.
3. Remuneration is reviewed and revised periodically, when such a revision is warranted. The quantum of revision is linked to market trends, the competitive context of the Company's business, as well as the track record of the individual employee.