



Barbeque-Nation Hospitality Limited

(Registered Office: “Saket Callipolis”, Unit No. 601 & 602, 6th Floor, Doddakannalli Village, Varthur Hobli, Sarjapur Road, Bengaluru-560035, Karnataka, India)

NOMINATION AND REMUNERATION POLICY

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Policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters as stated in Section 178(3) of the Companies Act, 2013.

Our policy on the appointment and remuneration of Directors and Key Managerial Personnel provides a framework based on which our Human Resources Management aligns its recruitment plans for the strategic growth of the Company. The Nomination and Remuneration Policy is provided herewith pursuant to Section 178 of the Companies Act, 2013.

I. PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013, the Board of Directors of every listed public company and such other class or classes of companies, as may be prescribed shall constitute the Nomination and Remuneration Committee. The Company has already constituted a Nomination and Remuneration Committee comprising three Non-Executive Directors, out of which two are Independent Directors as required under the Companies Act, 2013.

A Policy is required to be formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules.

II. OBJECTIVES

The key objectives of the Committee:

- a) To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and senior management.
- b) To specify the manner for evaluation of the performance of the Board, the Committees and individual Directors and submit necessary reports for further evaluation from the Board.
- c) To recommend to the Board the remuneration payable to the Directors, Key Managerial Personnel and senior management.

III. DEFINITIONS

- 'Act' means Companies Act, 2013 and rules made thereunder
- "Board" means Board of Directors of the Company.
- "Company" means "Barbeque-Nation Hospitality Limited."
- "Employees' Stock Option" means the option given to the Directors, officers or employees of a company or of its holding company or subsidiary company or companies, if any, which gives

such Directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the Company at a future date at a pre-determined price.

- “Independent Director” means a Director referred to in Section 149 (6) of the Companies Act, 2013.

- “Key Managerial Personnel” (KMP) means

- (i) Chief Executive Officer or the Managing Director or the Manager,

- (ii) Whole-time Director, (iii) Company Secretary, (iv) Chief Financial Officer

- (v) Such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and

- (vi) Such other officer as may be prescribed in the Companies Act, 2013.

- “Nomination and Remuneration Committee” shall mean a Committee of the Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.

- “Policy” or “this Policy” means “Nomination and Remuneration Policy.”

- “Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.

- “Senior Management” shall mean officers/personnel of the Company who are members of the core management team excluding Board of Directors and normally this shall comprise all members of management one level below the “Chief Executive Officer/Managing Director/Whole Time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.

IV. INTERPRETATION

Terms that have not been defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, as amended from time to time.

V. GUIDING PRINCIPLES

This Policy ensures that:

- 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.

- The Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- The Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay, reflecting short-term and long-term performance objectives appropriate to the working of the Company and its goals.
- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in senior management, Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies in the industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and senior management personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations; and
- To retain, motivate and promote talent and to ensure long-term sustainability of talented managerial persons and create competitive advantage.
- To lay down criteria for appointment, removal of directors, Key Managerial and senior management personnel and evaluation of their performance.

VI. ROLE OF THE COMMITTEE

The role of the Committee *inter-alia* includes the following:

- a) To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) Formulate criteria for evaluation of Independent Directors and the Board.
- c) Identify persons who are qualified to become Directors and may be appointed in senior management in accordance with the criteria laid down in this Policy.
- d) To specify the manner for effective evaluation of performance of the Board, its Committees and individual Directors.
- e) To recommend to the Board the appointment and removal of Directors and senior management.
- f) To recommend to the Board, policy relating to remuneration for Directors, Key Managerial Personnel and senior management.
- g) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

- h) To devise a policy on Board diversity.
- i) To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
- j) To perform such other functions as may be necessary or appropriate for the performance of its duties.

VII. MEMBERSHIP

- a) The Committee shall comprise at least three (3) Directors, all of whom shall be Non-Executive Directors and at least half shall be Independent.
- b) The Board shall reconstitute the Committee as and when required to comply with the provisions of the Companies Act, 2013 and other applicable statutory requirements.
- c) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- d) Membership of the Committee shall be disclosed in the Annual Report.
- e) Term of the Committee shall be continued unless terminated by the Board of Directors.
- f) The Committee shall meet at such intervals as deems fit to carry out the objectives set out in the Policy.
- g) The Members may attend the meeting physically or via permitted audio-visual mode, subject to the provisions of the Act.
- h) The Committee shall have the authority to call such employee(s), senior official(s) and / or externals, as it deems fit.
- i) The Company Secretary shall act as Secretary to the Committee.

VIII. CHAIRMAN

- a) Chairman of the Committee shall be an Independent Director.
- b) Chairman of the Company may be appointed as a member of the Committee but shall not chair the Committee.
- c) In the absence of Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d) Chairman of the Nomination and Remuneration Committee may be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

IX. COMMITTEE MEMBERS' INTERESTS

- a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting.
- b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

X. VOTING

- a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall, for all purposes, be deemed a decision of the Committee.
- b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

XI. APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

Appointment criteria and qualifications:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at the senior management level and recommend to the Board his/her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- d) Appointment of Independent Directors is subject to compliance with the provisions of Section 149 of the Act, read with schedule IV and rules made thereunder.

Term/Tenure

- a) Managing Director/Whole-time Director/Manager (Managerial Person):

The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- b) Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Removal

The Committee may recommend to the Board, with reasons recorded in writing, removal of a Director, KMP or senior management subject to the provisions and compliance of the said Act, rules and regulations.

Retirement

The Director, KMP and senior management personnel shall retire as per the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, senior management personnel in the same position/remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

XII. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON (MD, WTD etc), KMP AND SENIOR MANAGEMENT PERSONNEL

General

The remuneration/compensation/commission, etc. to Managerial Person, KMP and senior management personnel will be determined by the Committee and recommended to the Board for its approval. The remuneration/compensation/commission, etc. shall be subject to the prior/post approval of the shareholders of the Company, wherever required.

The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Act, and the rules made thereunder for the time being in force.

Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the shareholders in case of the Managerial Person.

Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if any such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Managerial Person, KMP and senior management:

Fixed pay

Managerial Person, KMP and senior management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Act, and the rules made thereunder for the time being in force. The break-up of the pay scale and quantum of perquisites, including employer's contribution to P.F., pension scheme, medical expenses, etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders, wherever required.

Minimum remuneration

If, in any financial year, the Company has no or inadequate profits, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the approval of the shareholders.

Remuneration to Non-Executive/Independent Director

Remuneration/Commission

The remuneration/commission shall be in accordance with the statutory provisions of the Act, and the rules made thereunder for the time being in force.

Sitting fees

The Non-Executive/Independent Directors may receive remuneration by way of fees for attending meetings of the Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government and approved by the Board from time to time.

Limit of remuneration/commission

Remuneration/Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Act.

Stock options

An Independent Director shall not be entitled to any stock option of the Company. Only such employees of the Company and of its subsidiaries as approved by the Committee will be entitled to granted ESOPs.

XIII. MINUTES OF COMMITTEE MEETING

Proceedings of all the meetings of the Committee must be recorded in the minutes and signed by Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent meeting.

XIV. DEVIATIONS FROM THIS POLICY

Deviations on elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so subject to the approval of the Board.