



GMR AIRPORTS LIMITED

Compensation Framework Policy



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1. INTRODUCTION

Pursuant to RBI Scale Based Regulations: Revised Regulatory Framework of NBFC dated October 22, 2021 the Company has framed Compensation Framework Policy ("Policy") in order to address issues arising out of excessive risk taking caused by misaligned compensation packages;

1.1. Purpose of the Policy

- 1.1.1. The Key Objectives of the Policy are:
- 1.1.2. Remuneration Committee (hereinafter referred to as the Nomination & Remuneration Committee of the Company);
- 1.1.3. Principles for fixed/ variable pay structures, and
- 1.1.4. Malus/ claw back provisions

1.2. Definitions

- 1.2.1. "Board" means the Board of Directors of the Company.
- 1.2.2. "Company" means "GMR Airports Limited."
- 1.2.3. "Key Managerial Personnel" or "KMP" means Key Managerial Personnel of the Company in terms of the Companies Act, 2013 and the Rules made thereunder.

(As per Section 203 of the Companies Act, 2013, the following are whole-time KMP as may be appointed by the Board as KMPs from time to time:

- (i) Managing Director or Chief Executive Officer or the Manager and in their absence a whole-time Director;*
- (ii) Company Secretary; and*
- (iii) Chief Financial Officer.)*

- 1.2.4. "Compensation Committee" shall mean Nomination and Remuneration Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 read with applicable RBI Regulations and the Regulation 19 of the SEBI Listing Regulations.

- 1.2.5. "Policy or This Policy" means, "Compensation Framework Policy."



1.3. "Compensation/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.

1.4. "Senior Management" means personnel/ officers of the Company who are members of its core management team excluding Board of Directors. This would include 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, chief financial officer and chief risk officer.

1.5. Interpretation

1.5.1. Words and expressions used in this Policy shall have the same meanings respectively assigned to them in the following acts, listing agreement, regulations, rules.

1.5.1.1. The Companies Act, 2013 or the rules framed thereon;

1.5.1.2. SEBI (Listing Obligations & Disclosure Requirements), Regulation 2015;

1.5.1.3. RBI Act, 1934 and Rules and Regulations made thereunder (as amended).

2. Compensation Committee

2.1. Compensation Committee hereinafter shall be referred as the Nomination & Remuneration Committee (NRC) of the Company constituted / reconstituted by the Board of Directors from time to time pursuant to the applicable requirements.

2.2. Role of Nomination & Remuneration Committee shall be as per Terms of Reference approved by the Board from time to time / specified in NRC Policy of the Company.

3. APPLICABILITY

3.1. This Policy is Applicable to:

3.1.1. Directors (Executive, Non-Executive and Independent)



3.1.2. Key Managerial Personnel

3.1.3. Chief Risk Officer;

3.1.4. Senior Management Personnel;

3.1.5. Other employees as may be decided by the Nomination and Remuneration Committee

4. PRINCIPLES FOR FIXED/ VARIABLE PAY STRUCTURES

4.1. Compensation guidelines: Compensation guidelines provides for compensation of a regular employee divided into following components viz.,

4.1.1. Fixed CTC

4.1.2. Variable Performance Pay (VPP)

4.1.3. Location specific allowances like City Compensatory Allowance (CCA) & Hardship Allowance (HA)

4.2. Fixed CTC:

4.2.1. Fixed CTC includes Basic, HRA, LTA and other allowances and retiral benefits and insurance contribution of employees as per the breakup given below.

Fixed CTC Components	Breakup	Remarks
Basic	40% of the Fixed CTC	
HRA	50% of the Basic	
Child Education Allowance	Rs. 200 PM/Child	Maximum allowed to 2 dependent Children
Food Coupons	Rs. 0, 1200, 2500 (Per Month)	Part of Flexi Compensation Benefit Plan (FCBP) – Optional
Fuel & Maintenance Allowance	Rs. 0, 72,000/-, 1,44,000/-, 1,92,000/- (Per annum)	Part of FCBP. Optional based on JRLs (Job Responsibility Levels)
Leave Travel Allowance	Rs. 0 to 1,00,000	Part of FCBP - Optional. Employees can chose between 0 to 1 Lakh



Gift Voucher	Rs. 0 or 5,000	Part of FCBP – Optional. Employees can chose Gift Vouchers of Rs. 5000
Bonus/Exgratia	10% of Basic	Paid annually during Festival Months of Sep/Oct of the year
Group Mediclaim Premium	Premium is part of CTC, to be borne by the employee	Premium is decided every year. Employee, Spouse, 2 Dependent Children are covered in the base policy.
PF	12% of Basic	Voluntary PF Contribution is allowed subject to limit
NPS	10% of Basic	Not Mandatory (Optional by employee – part of CTC)
Superannuation	8%, 4%, 15% of Basic	Not Mandatory (Optional by employee – part of CTC)
Special Pay	The balance amount left in the Fixed CTC based on employees choice of the above FCBP options	

4.2.2. Annual Increments:

4.2.2.1. Annual Increments are announced every year which are effective 1st July.

The increments are given as percentage of Fixed CTC. Inputs from data points such as Inflation, compensation benchmarking, individual performance rating of the employee, quartile placement of the employee in the specific JRL, fund requirements, etc., are considered every year for determining the annual increments.

4.2.2.2. All the employees on the regular rolls of the company are covered under Performance Management Process (PMP). The performance of every employee against the achievement of agreed goals is assessed as per the PMP. The Group uses a 5 point PMP Rating Scale for evaluating



performance viz, Outstanding Performer (OP), Excellent Performer (EP), Very Good Performer (VGP), Consistent Performer (CP) and Non Performer (NP). An employee who has been rated NP will not be eligible to get an increment or VPP.

4.2.2.3. The actual rate of increment applicable to employees in a particular JRL is also dependent on the current salary levels of the employees in that particular JRL. The salary bands in each JRL are divided into four quartiles – Q1, Q2, Q3 & Q4, Q1 being the lowest salary band and Q4 the highest. Q1 employees get the highest increments and the increment rate is gradually reduced to Q2, Q3 and Q4.

4.3. Variable Performance Pay (VPP):

4.3.1. VPP is an annual component which is based on individual and group performance. VPP gets paid as a percentage of Fixed CTC.

4.3.2. Decision on the Percentage Increments & VPP Amounts are made after detailed deliberations;

4.3.3. The VPP payable annually is determined based on the following:

4.3.3.1. Individual Performance Rating from the PMP

4.3.3.2. Group Performance Score on a 5 point scale, which takes into consideration the overall group revenues/profit achievements, new businesses added, operational excellence parameters and other recognitions the Group has achieved.

4.3.3.3. Individual Performance and Group Performance vary based on the Job Responsibility Levels (JRLs) as given below. Employees at senior levels will have higher group performance contributions compared to junior employees as per the below table:

JRL	Weightage - Group Performance in %	Weightage - Individual Performance in %
M1	40	60
M2/LB	30	70



PB/LC/PC/LD/LE	25	75
PD/PE/LF/LG/LH	15	85
LI/LJ	Lumpsum amount decided year on year	

4.4. Location specific allowances:

4.4.1. City Compensatory Allowance (CCA): CCA is applicable for Metros like Delhi/Mumbai/Hyderabad and will apply to those employees who get transferred from any site locations to the Metro locations given above.

4.4.2. Hardship Allowance (HA): HA is applicable to specific hardship locations @ 10% of Fixed CTC.

5. MALUS/ CLAW BACK

Malus / Claw back* provisions will be applicable to employees as below:

5.1. Retention Amount:

5.1.1. Retention Amount will be as part of the employment terms;

5.1.2. If an employee is eligible for Retention amount then, three years claw back provision is applicable to such employee;

5.1.3. Recovery of the amount in case of voluntary separation will be as below:

5.1.3.1. Voluntarily separation within 12 months of joining, 100% of the paid amount;

5.1.3.2. Voluntarily separation within 24 months of joining, 66% of the paid amount; and

5.1.3.3. Voluntarily separation within 36 months of joining, 33% of the paid amount from date of joining to last working day.

5.2. Incentives / market correction:

5.2.1. In case of any one-time Incentive or market correction is paid to an employee, there is one year claw back clause.;

5.2.2. In the event of separation of the employee within one year from the effective date of payment of incentive / market correction amount, the retention amount paid shall be recovered as a part of settlement process.



6. AMENDMENT

6.1. This Policy is effective from the date of approval by the Board of Directors;

6.2. Any amendment or modification to this policy shall be approved by the Board from time to time.

Version 1 of this Policy is approved by the Board of Directors on May 26, 2023.

*Will be applicable once the ESOP scheme is implemented in the Group



