

Reference	EOP/ESG/NRP/01	Version: June 2, 2021
Policy Title	Nomination and Remuneration Policy	
Entity	Embassy Office Parks Management Services Private Limited (“ Manager ”/ “ Company ”) in its capacity as the manager of Embassy Office Parks REIT (“ Embassy REIT ”)	
Responsibility for ensuring Compliance	Assistant General Manager- Human Resources and Company Secretary & Compliance Officer	

Revision History		
Version #	Version Date	Change Type
V1	August 6, 2018	Created
V2	July 31, 2020	Amended the terms of reference of the Nomination and Remuneration Committee
V3	June 2, 2021	Replacement of the existing policy

Document Review Cycle			
#	Effective Date	Next review date	Policy Owner
1	June 2, 2021	On or before May 30, 2022	Assistant General Manager- Human Resources and Company Secretary & Compliance Officer

Applicability	This policy is applicable to the Manager, Embassy REIT, its special purpose vehicles (“ SPVs ”) and its holding company(ies) (“ Holdco ”) collectively referred to as “ REIT Entities ”, and individually as a “ REIT Entity ”).
Introduction	The principles in this policy reflect the REIT Entities’ objective of attracting and retaining competent managers, which is essential in order for the REIT Entities to create long-term value for its stakeholders.
Objectives	<p>This policy is framed to outline the principles of our compensation program in order to attract, retain, and reward talented executives who will contribute to the long-term success of REIT Entities and thereby build value for its stakeholders.</p> <p><u>This policy is intended to:</u></p> <ul style="list-style-type: none"> (i) provide for monetary and non-monetary compensation elements to the personnel of the REIT Entities, on a holistic basis. (ii) emphasize “Pay for Performance” by aligning incentives with business strategies to reward executives who achieve or exceed group, business and individual goals.

Nomination and Remuneration Committee

The Manager has a Nomination and Remuneration Committee ("**Committee**") which is responsible for performance evaluation and remuneration decisions for senior executives of REIT Entities.

➤ **Constitution**

The Board of Directors of the Manager has constituted the Committee based on the provisions of the Companies Act, 2013 and the rules made thereunder along with SEBI (Real Estate Investment Trusts) Regulations, 2014, as amended or any other the applicable SEBI Regulations, to the extent applicable.

➤ **Membership**

The Committee shall comprise of four members, with at least 50% of the members being independent directors of the Manager.

The chairperson of the Committee shall be an independent director of the Manager.

The Board shall appoint the chairperson of the Committee (the "**Chairperson**"). In the absence of the Chairperson or any appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board.

➤ **Quorum**

The quorum shall be at least 50% of the members of the Committee. All matters shall be approved by at least a simple majority of the members present.

➤ **Attendance at meetings**

The Committee shall meet at least two times every year, or as frequently as determined by the board of directors of the Manager or as directed by the Trustee or such number of times as required under applicable law. No one other than the Chairperson, and members, of the Committee is entitled to attend or vote at a meeting of the Committee. However, other individuals, such as the Chairperson of the Board, chief executive, special invitees, members of senior management, the head of human resources and external advisers, may be invited by the Committee to attend for all or part of any meeting, as and when appropriate and necessary. No director or senior executive shall be involved in any decisions as to his or her own remuneration.

➤ **Authority**

- a) The Committee is authorised by the Board at the expense of the Manager to investigate any matter within its terms of reference. It is authorised to seek any information it requires from any employee in order to perform its duties and all employees are directed to co-operate with any requests made by the Committee.
- b) The Committee is authorized by the Board at the expense of the

Manager, to obtain external legal or other professional advice on any matters within its terms of reference.

- c) The Committee is also authorised at the expense of the Manager, at all times within budgetary restraints imposed by the Board, to appoint external remuneration consultants and set their terms of reference and to commission or purchase any relevant reports, surveys or information which it deems necessary to help fulfill its duties.
- d) These terms may be amended from time to time by the Board.

The Terms of Reference of the Committee

- a. The terms of reference of the Committee, as approved by the Board of Directors of the Manager are set out as follows: Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Manager a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- b. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- c. Devising a policy on board diversity;
- d. Identifying persons who are qualified to become directors and who may be appointed in senior EOP;
- e. their appointment and removal and evaluation of director's performance;
- f. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- g. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Manager successfully;
- h. Endeavour to appoint key employees to replace any key employee within six months and recommend to the board of directors of the Manager;
- i. Carrying out any other function as prescribed under applicable law or as determined by the Nomination and Remuneration Committee in the interest of the employees;
- j. Overseeing the administration and execution of any employee incentive scheme adopted in relation to the employees of the Company including the Employee Incentive Plan 2020 ("**Plan 2020**"), including matters relating to the settlement and administration of any employee welfare trusts. The role of the committee shall, inter alia, include determining the following:
 - i. the eligibility criteria for employees eligible for incentives under the Plan 2020;
 - ii. the terms and conditions of the awards granted under the Plan 2020, including the Deferred Unit awards and Performance Unit

awards, including the criteria and performance parameters for the granting and vesting of such awards to eligible employees;

- iii. the number of tranches in which the awards are to be granted and the number of awards to be granted in each such tranche;
- iv. the quantum of awards to be granted to each employee under the Plan 2020;
- v. the timing of issuance of the letters of grant, vesting letters, or amendments or modifications thereto, determining the pool of units available for grant and the timing of contributions to such pool;
- vi. the number of awards if any, reserved for granting to new employees who would join the services of the Company;
- vii. specify the method, as applicable, which the Company shall use to value the awards;
- viii. lay down the procedure for cashless exercise of awards, if any;
- ix. provide for the grant, vesting and exercise of awards in case of eligible employees or awards holders who are on long leave or who have been seconded to any other company by the Company;
- x. the vesting and exercise period for the awards;
- xi. terms on which the awards would lapse on failure to Exercise within the relevant exercise period;
- xii. specifying the time period within which an employee shall exercise the vested awards in the event of termination or resignation of such employee;
- xiii. the conditions under which the vested awards may lapse, in case of termination of employment for fraud or misconduct;
- xiv. the treatment of unvested awards upon events including but not limited to, termination of employment or upon a director ceasing to hold office;
- xv. the procedure for surrender and cancellation of awards, if required;
- xvi. framing appropriate procedures and rules for granting, vesting and exercise of awards and amending, altering, modifying or rescinding such procedures and rules from time to time;
- xvii. ensuring submission of information, reports, etc., in connection with the Plan 2020 or the EWT, if required, to the recognised stock exchange(s) at stipulated periodical intervals or otherwise, as the case may be;

- xviii. obtaining permissions from, and making periodic reports, to regulatory authorities, as may be required, and ensuring compliance with applicable law;
- xix. laying down a method for satisfaction of any tax obligation arising in connection with the awards in compliance with applicable law;
- xx. provide for any statutory, contractual, regulatory or such other matters as may be necessary for the administration and implementation of the Plan 2020 in accordance with applicable law;
- xxi. finalize, approve and authorise executives of the Company to execute various agreements, deeds, writings, confirmations, undertakings, indemnities, letters or other documents, as may be necessary, under the common seal of the Company or otherwise, with any party including the Blackstone Sponsor Group and the Embassy Sponsor Group, legal advisors, accountants, registrar and transfer agents, depositories, custodians, trustees, bankers, employees and/or others for the purposes of the Plan 2020 and accept modifications, changes and amendments to any such documents/agreements;
- xxii. formulation of suitable policies and systems to ensure that there is no violation of any applicable law;
- xxiii. such other matters, not captured above, which may be required in relation to the implementation of the Plan 2020 in accordance with applicable law and the terms set out herein;
- xxiv. formulate various sets of special terms and conditions under the Plan 2020 to apply to an employee (or his nominee or legal heir, as the case may be). Each of such sets of special terms and conditions under the Plan 2020 shall be restricted in their application to such employee (or his respective nominees/ legal heirs). The Nomination and Remuneration Committee may also formulate separate sets of special terms and conditions to apply to each class or category of employees (or their respective nominees/legal heirs) and each of such sets of special terms and conditions shall be restricted in its application to such class or category of employees (or their respective nominees/legal heirs);
- xxv. the Nomination and Remuneration Committee may appoint a third party to administer the Plan 2020 and support employee communication, on its behalf; and
- xxvi. any and all the above matters in relation to any other employee incentive scheme that may be considered or adopted by the Company in the future.
- xxvii. delegate activities pertaining to any and all of the above matters to one or more persons as it may deem fit.

	<p>k. Performing such other activities as may be delegated by the board of directors of the Manager and/ or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.</p> <p>These terms of reference may be amended from time to time by the Board of the Manager.</p> <p>➤ <u>Exclusions</u></p> <p>Other than as specified above, the terms of reference of the Committee do not encompass decisions to appoint, employ or dismiss executives or directors.</p> <p>➤ <u>Annual general meeting</u></p> <p>The Chairperson of the Committee may be available at the Annual General Meeting of the Manager to answer shareholders queries.</p>
<p>Key Objectives of the Performance Management Process</p>	<p>➤ <u>Set Direction:</u> Ensure appropriate top-down alignment and cascade of business critical goals and measures.</p> <p>➤ <u>Performance Expectations:</u> Establish and communicate the required and realistic performance expectations from the given role.</p> <p>➤ <u>Performance Feedback:</u> Enable effective dialogue for performance feedback and Evaluation.</p> <p>➤ <u>Focus on Individual Development:</u> Focus on identification of development needs and plan for individual development.</p> <p>➤ <u>Link Performance to Rewards:</u> Strengthen linkage between individual performance and compensation & rewards system (Pay for performance).</p> <p>The REIT Entities strives to provide an environment where all employees understand the impact their contributions have on the achievement of the REIT Entities' goals and are provided the opportunity for ongoing personal growth. One way we can accomplish this goal is through a strong performance-based management program that culminates in an annual performance review. The performance management process is continuous as we plan, manage, review, and reward performance.</p>
<p>Process and transparency</p>	<p>An Online portal is in place to facilitate the three-phased performance management system (“PMS”) which includes setting individual Key Responsibility Area (“KRA”) Performance Objectives, Measures and Weightage in discussion with Reporting Manager at the start of the appraisal year followed by a mid-year performance discussion between the employee and the Reporting Manager to review progress on KRA goals and concluded towards close of appraisal cycle with self-appraisal by the employee followed by a performance review discussion between the employee and the Reporting Manager. The completed appraisal form post this discussion will be reviewed by the concerned Head of Department (Business/ Function) online. The PMS Process for the year will be completed with the decisions being taken based on the Committee’s approval.</p>

	<p>For relevant stakeholders, KRAs will include Environment Social and Governance parameters and performance against such parameters will be a relevant consideration in performance evaluation.</p>
<p>Employee Incentive Plan 2020</p>	<p>The Manager has adopted a unit-based employee incentive plan, namely, “Employee Incentive Plan 2020” (“Plan 2020”). The Plan 2020 has been approved by the Committee of the Manager at its meeting held on July 17, 2020, the board of directors of the Manager by way of a resolution dated July 31, 2020 and by the Unitholders of Embassy REIT by way of a special resolution dated August 27, 2020.</p> <p>Plan 2020 has been instituted to incentivize its eligible employees (“Employees”) with short term and long-term units-based employee incentives to align interest of its Employees with that of the Unitholders of Embassy REIT. In terms of Plan 2020, awards are proposed to be granted to the Employees, which upon vesting shall result in the transfer of units of Embassy REIT to the grantees. The Plan 2020 would be implemented by the Committee of the Board of the Manager, through an employee welfare trust, namely, “Manager Employee Welfare Trust” (“EWT”) operated and managed through independent trustee(s).</p>
<p>Key Features of Plan 2020</p>	<p>➤ <u>Types of awards:</u> It is proposed that two types of incentive awards shall be issued under the Plan 2020:</p> <ul style="list-style-type: none"> (i) Deferred Unit Awards (“DUPs”), which will vest as per the time-based milestones determined by the Committee; and (ii) Performance Unit Awards (“PUPs”), which will vest as per the performance-based milestones determined by the Committee. <p>The Plan 2020 is a unit-based employee incentive plan intended to incentivise the employees of the Company and align their interests with that of the Unitholders.</p> <p>➤ <u>Eligibility:</u> An employee, who as on the date of the grant of the awards, is</p> <ul style="list-style-type: none"> (i) a permanent employee of the Manager working in India or outside of India; or (ii) a director, whether managing/ whole time director of the Manager or not, but excluding an independent Director, <p>but excludes -</p> <ul style="list-style-type: none"> (i) an employee who is a promoter or a person belonging to the promoter group; (ii) a director who either by self or through relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding share capital of the Company shall be eligible for grant of awards based on the eligibility criteria determined by the Committee (included but not limited to performance, merit, grade, conduct and length of service of the Employee). <p>➤ <u>Implementation:</u> The EWT has been settled by the Company and certain members of the sponsors/sponsor groups of the Embassy REIT (“Sponsor Group”) for purposes of implementation of the Plan 2020. The EWT is operated and managed through independent trustee (s).</p>

➤ **Administration:** The Plan 2020 shall be operated and administered by the Committee. Matters in relation to interpretation and dispute in connection with the Plan 2020 will be determined by the Committee.

➤ **Grant and vesting:** DUP will be granted to Employees from time to time, in accordance with the eligibility criteria and the terms and conditions determined by the Nomination and Remuneration Committee, which will Vest as per the time-based milestones as determined by the Committee.

PUP will be granted to Employees from time to time, in accordance with the eligibility criteria and the terms and conditions determined by the Nomination and Remuneration Committee, which will Vest as per the performance-based milestones as determined by the Committee. Upon the vesting of an Award, the relevant number of Units shall be directly transferred from the EWT to the grantee, in accordance with the letters of grant and vesting letters. The liability for any withholding tax obligations on behalf of the Company, arising as a result of the transfer of Units from the EWT to an Employee shall be on such Employee.

➤ **Unit pool:** The Plan 2020 is proposed to be implemented through the contribution of:

a) Units by the Sponsor Group, from time to time, as may be determined by each member of the Sponsor Group in its sole discretion, in consultation with the Company; and/ or

b) any Units received by the Company by virtue of the Embassy REIT management fees, and such pool shall at no time exceed 2% of the total outstanding Units of the Embassy REIT from time to time. Further, subject to applicable law, the EWT shall also be eligible to acquire, from time to time, Units from the secondary market, as well as Units pursuant to any fresh issuance of Units undertaken by the Embassy REIT, which Units shall also form part of the Unit pool. The Embassy REIT shall not be under any obligation to issue any Units for the implementation of the Plan 2020.

➤ **Financing of the EWT:** The EWT may avail financial assistance from banks, financial institutions or any other source, (including any Sponsor Group), as permitted under applicable law, for the implementation and administration of the Plan 2020.

Please note that this summary has been prepared by the Company for information and reference only and does not form a part of the Plan 2020. Readers and employees are requested to refer to the scheme document, letters of grant and other documents issued by the Committee/Company for details of the Plan 2020. The Company, as such, makes no representation or warranty, express or implied, as to, and does not accept any responsibility or liability with respect to, the fairness, completeness or adequacy of this summary including any information or opinions contained herein. This information should not be used or considered as financial or investment advice, recommendation, invitation or an offer for sale or a solicitation of any offer to buy any units or securities of the Embassy REIT. This document and any of its contents do not provide for and should not be construed as any assurance

	<i>or guarantee of returns or distribution or grants to investors/employees or the trading price of the units.</i>
Amendment	This policy will stand automatically amended to the extent of any relevant change(s) in the applicable law and or for any change(s) in fact.