

Bharat Nirman Limited

(CIN No: U45209TG2011PLC073659)

◀ Nomination & Remuneration Policy ▶

The “Nomination and Remuneration Committee” of Bharat Nirman Limited (“the Company”) was constituted in 2011 in-order to align with the provisions of the Companies Act, 1956 and approved Terms of Reference.

1) Objective

The Nomination and Remuneration Committee was constituted pursuant to Section 178 of the Companies Act, 2013 (“the Act”) read along with the applicable rules thereto.

2) Definitions

a) Key Managerial Personnel: means -

- Managing Director or the Chief Executive Officer or the Manager;
- Executive Director,
- Company Secretary;
- Chief Financial Officer; and
- Such other officer as may be prescribed by the Act or rules made there under.

b) Senior Management Personnel:

Senior Management means personnel of the company who are members of its core management team excluding the Board of Directors. This would also include all members of management one level below the Executive Director’s including all functional heads.

3) Applicability

a) The Policy is applicable to:

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

b) Number of Members

- The Chairman of the Committee will be an independent director from amongst the members of the Committee. In the absence of the members of the

Committee present at the meeting shall choose one of their members to act as Chairman.

- The Chairman of the Company is a member of the Committee but will not chair the Committee.
- The Chairman of the Committee or in his absence any member of the Committee nominated by the Chairman shall be present at the AGM to answer shareholders queries.
- Membership of the Committee shall be disclosed in the Annual Report.

4) Constitution, Composition, Quorum

- a) The Committee shall consist of a minimum 4 (Four) non-executive director out of which not less than one half shall be Independent Directors.
- b) Two (2) members present out of whom one shall be an Independent Director shall constitute a quorum for a Committee meeting.

5) Meetings and Invitees to Meetings

- a) The Committee will meet as and when required or mandated by the Board or the Chairman of the Committee.
- b) The Committee may invite such executives, as it considers appropriate to be present at any meeting of the Committee.
- c) The Company Secretary shall act as Secretary of the Committee and provide assistance to it.

6) Role and Functions of the Committee

- a) Review the Board structure, size and composition and make recommendations to the Board in this regard.
- b) To identify persons who are qualified to become directors (including appointments to committees) and who may be appointed in Senior Management in accordance with the criteria laid-down, recommend to the Board their appointment and removal and to carry out evaluation of every director's performance.
- c) To formulate the criteria for determining qualifications, positive attributes and independence of a director.
- d) To recommend to the Board plans for succession, in particular, of the Managing Director, the Executive Directors, Key Managerial Personnel and Senior Management Personnel.
- e) To evaluate the performance of the Board and Senior Management Personnel on certain pre-determined parameters as may be laid down by the Board as part of the self-evaluation process.

7) Functions and Responsibilities of the Committee

The functions and responsibilities of the Committee in relation to remuneration will be as under:

7.1 Relating to the Company:

- The Committee to formulate and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.
- The Committee while formulating the above policy shall ensure that:
 - a) The level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - b) Relationship of remuneration to performance be clear and meets appropriate performance benchmarks; and
 - c) Remuneration to directors, key managerial personnel and senior management personnel involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- Evaluate and approve the Company's remuneration plan, annual salary increase principles and budgets, policies and programs such as succession planning, employment agreements, severance agreements, and any other benefits.
- Review progress on the Company's leadership development programs, including for promotion to the board, employee engagement initiatives and employee surveys.
- Evaluate issues pertaining to the appointment of, and remuneration payable to, Senior Management Personnel.
- Evaluate terms and conditions relating to the Annual and Long Term Incentive Plans of the Company, including plan design, supervision and payouts.
- Consider and approve matters relating to normal retirement plans, Voluntary Retirement and Early Separation Schemes for employees of the Company.

7.2 Relating to the Performance and Remuneration of the Managing Director, Key Management Personnel and Senior Management Personnel

- Establish key performance metrics to measure the performance of the Managing Director, Key Management Personnel and Senior Management Personnel including the use of financial, non-financial and qualitative measures.
- Evaluate Senior Management Personnel team performance regularly to strengthen the cumulative annual assessment and to provide timely feedback to the assessed individuals.
- Review and recommend to the Board the remuneration and performance bonus or commission to the managing and Key Management Personnel.

7.3 Relating to the Performance and Remuneration of the Non-Executive Directors

Define the principles, guidelines and process for determining the payment of commission to non-executive directors of the Company.

8) Other Functions

Perform such other activities within the scope of this Policy as may be requested by the Board of Directors or under any regulatory requirements.

9) Disclosure

This Policy as amended from time to time shall be disclosed in the Board's Report.

10) Nomination Duties

Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;

11) Remuneration Duties

The duties of the Committee in relation to remuneration matters include:

- a) To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
- b) To approve the remuneration of the Senior Management including Key Managerial Personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company.
- c) To delegate any of its powers to one or more of its members or the Secretary of the Committee.
- d) To consider any other matters as may be requested by the Board;
- e) Professional indemnity and liability insurance for Directors and senior management.

12) Minutes of Committee Meetings

Proceedings of all meetings shall be minutes and signed by the Chairman of the Committee at the subsequent meeting. Minutes of the Committee meetings will be tabled at the subsequent Board and Committee meetings.



Effective Date:

This Policy shall be in force and effective on and from 01st July, 2011.