

# BSCPL Infrastructure Limited

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## Remuneration Policy for Directors, KMP and Other Employees

### BACKGROUND

**BSCPL Infrastructure Limited** (hereinafter referred as the 'Company') believes in the conduct of its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior and in complete compliance of laws, as amended from time to time.

### BRIEF OVERVIEW UNDER COMPANIES ACT 2013

{Section 178 & Companies [Meetings of Board and its Powers] Rules 2014}

- Constituting the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors
- The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- The Nomination and Remuneration Committee shall, while formulating the policy ensure 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;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - Remuneration to directors, key managerial personnel and senior management 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.
- Such policy shall be disclosed in the Board's report.

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## PRESENT POSITION OF DIRECTORS & KMP OF THE COMPANY

- There exists a Nomination and Remuneration Committee of the Board of Directors {Board}.
- At present there are total five directors of the Board of Directors of the Company {Board} out of which there are 3 (four) Non-Executive Directors who are also independent and the remaining 2 (three) are Executive Directors.
- There exist Key Managerial Personnel {KMP} Chief Executive Officer and Chief Financial Officer and Company Secretary.

## TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Removal should be strictly in terms of the applicable law/s and in compliance of principles of natural justice.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Recommend to the Board, remuneration including salary, perquisite and commission to be paid to the Company's Directors as well on their re-appointment, wherever applicable.
- Recommend to the Board, the Sitting Fee (including any change) payable to the Non-Executive Directors for attending the meetings of the Board / Committee thereof, and, any other benefits such as Commission, if any, payable to the Non- Executive Directors.
- Setting the overall Remuneration Policy and other terms of employment of Directors, wherever required.
- The Company shall disclose the Remuneration Policy and the evaluation criteria in its Annual Report

## CRITERIA FOR DETERMINING THE FOLLOWING:-

### Qualifications for appointment of Directors {including Independent Directors}:-

- No specific qualification/s for Directors
- Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- Their financial or business literacy/skills.
- Their experience.
- Appropriate other qualification/experience to meet the objectives of the Company.
- Applicable provisions of Companies Act 2013, its Rules

The above qualifications, {other than the statutory requirements which are mandatory}, are preferable and desirable with absolute discretion to the Nomination and Remuneration

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Committee to consider and keep in view any other criteria or norms for selection of the most suitable candidate/s.

## **Positive attributes of Directors {including Independent Directors}:-**

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- They are to actively refresh their knowledge and skill with the latest developments in the Infrastructure industry, market conditions and applicable legal provisions.
- They are to show willingness to devote sufficient time and attention for the Company and its business and execute their responsibilities
- They are to assist in bringing independent judgments to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- They are able to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- They are to act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees

## **Conditions of Independence of Directors:-**

- In compliance of terms of the Companies Act 2013 and its Rules { Section 149 - Schedule IV- Code for Independent Directors & Companies [Appointment and Qualification of Directors] Rules 2014 }, as amended from time to time.

## **Criteria for appointment in Senior Management including KMP:-**

- Their required qualifications, experience, skills & expertise to effectively meet their areas of work, duties and responsibilities.
- Their experience.
- Their ability to assume the responsibilities and duties of their posts effectually.
- Appropriate other qualification/experience to meet the objectives of the Company.

## **POLICY RELATING TO REMUNERATION OF DIRECTORS, KMP & OTHER EMPLOYEES {ON APPOINTMENT/ SUBSEQUENT INCREASES}:-**

- The Company shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- It should be ensured that no director/KMP/ other employee are involved in deciding his or her own remuneration.
- The market rates/ quantum and structures of remuneration as applicable to the comparable organisations in the similar business spheres should be given due consideration.
- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks.

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- Performance benchmarks are laid down.
- Increase in remuneration should provide rewards for improved performance.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
  
- Following criteria are also to be considered:-
  - Responsibilities and duties ;
  - Time & efforts devoted;
  - Value addition;
  - Profitability of the Company & growth of its business;
  - Analyzing each and every position and skills for fixing the remuneration yardstick ;
  - Standards for certain functions/Departments for Business Development, where there is a huge scarcity of qualified resources.
  - Ensuring text efficient remuneration structures.
  - Ensuring that remuneration structure is simple and that the cost to the Company {CTC} is not shown inflated and, in comparison, the effective take home remuneration is not low.
  - Any other criteria as may be applicable.
  
- Consistent treatment of remuneration parameters across the organisation.
- Provisions of law with regard making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated / disclosed adequately.

## **REMUNERATION TO EXECUTIVE DIRECTORS:**

The remuneration paid to Executive Directors is recommended by the Nomination and Remuneration Committee and approved by Board in Board meeting, subject to the subsequent approval of the shareholders at the General Meeting and such other authorities, as may be required. The remuneration is decided after considering various factors such as qualification, experience, performance, responsibilities shouldered, industry standards as well as financial position of the Company.

## **REMUNERATION TO NON-EXECUTIVE DIRECTORS:**

The Non-Executive Directors are paid remuneration by way of Sitting Fees and Commission. The Non-Executive Directors are paid sitting fees for each meeting of the Board and Committee of Directors attended by them.

## **REVIEW**

This shall be reviewed by the Nomination & Remuneration Committee and the Board, from time to time.