

BMW Industries Limited

Remuneration Policy

Effective Date: 30.05.2016

Approval Date: 30.05.2016

Version No.: 2.0

Approved By: Board of Directors

This document is confidential in nature and supersedes any Remuneration Policy existing in the Company, and should be read in conjunction with the most recent policies and procedures documented.

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1. Introduction

The purpose of this Policy is to establish principles, parameters and Governance framework of remuneration for Directors, Key Managerial Personnel (KMPs), Senior Management Personnel and Employees. This policy will assist the Board and Nomination and Remuneration Committee (NRC) to fulfill its responsibility towards attracting, retaining and motivating Directors, KMPs, Senior Management Personnel and Employees through competitive remuneration in line with the corporate and individual performance. The policy has been framed in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI regulations").

2. Objective

The main objectives of this Policy are:

- a. To determine remuneration of Directors, KMPs and other senior management personnel, keeping in view all relevant factors including industry trends and practices.
- b. To provide for rewards linked directly to their effort, performance, dedication and achievement of the Company's target.

3. Selection criteria for Directors, senior management personnel and key managerial personnel:

- 3.1. Apart from promoter Directors, the Company currently has no Executive Director/s. Selection of Executive Director/s shall be in line with the selection criteria laid down for independent Directors, in so far as those criteria are not inconsistent with the nature of appointment; NRC is responsible for identification, shortlisting and recommending candidature of person for the position of Managing Director (MD) to the Board of Directors of the Company;

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- 3.2. Nominee Directors shall be taken on Board, as and when nominated by the investor/s to protect such investor/s interests and such appointments shall usually be governed by the investment/ subscription agreement/s the Company has/will have with such investor/s;
- 3.3. Independent Directors will be selected on the basis of identification of industry/ subject leaders with strong experience. The advisory area and therefore the role, may be defined for each independent director;
- 3.4. For any Senior Management Personnel recruitment, it is critical to identify the necessity for that role. In order to validate the requirement –
 - a. Job Description (JD) along with profile fitment characteristics from a personality, experience and qualification point of view shall be created;
 - b. Selection shall happen through referrals from Board members, industry leaders or leading search firms;
 - c. The recruitment process shall generally involve meetings with MD and/or identified members of the NRC basis which the candidature will be finalised; and
 - d. On the lines of broad inputs provided by NRC, there shall be a compensation discussion and resulting fitment, based on overall positioning with respect to the market, internal parity and structure of the compensation offer (which includes fixed and variable pay components). Thereafter, the offer shall be rolled out.

4. Determination of qualification, positive attributes and independence test for the Independent Directors to be appointed:

- 4.1. For each Independent Director, the appointment shall be based on the need identified by the Board;

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- 4.2. The role and duties of the Independent Director shall be clearly specified by highlighting the committees they are expected to serve on, as well as the expectations of the Board from them;
- 4.3. At the time of selection, Board shall review the candidature on skill, experience and knowledge to ensure an overall balance in the Board so as to enable the Board to discharge its functions and duties effectively;
- 4.4. Any appointment of the Independent Director shall be approved at the meeting of the shareholders, in accordance with extant laws;
- 4.5. Director's Independence test shall be conducted as per the conditions specified in the Companies' Act and the rules thereunder;
- 4.6. The remuneration of the Directors shall be established on the reasonability and sufficiency of level in order to attract, retain and motivate the Directors; and
- 4.7. MD along with Company Secretary shall be involved in the familiarization / induction process for the independent director/s.

5. Remuneration policy for the Directors (including Independent Directors), key managerial personnel and senior management personnel:

- 5.1 The Independent Directors would be paid sitting fees subject to the limits prescribed under the Companies Act, or any amendments thereto, as may be determined by NRC from time to time, for attending each meeting(s) of the Board and Committees thereof;
- 5.2 Directors shall be reimbursed any travel or other expenses, incurred by them, for attending the Board and Committee meetings;
- 5.3 The remuneration paid to MD shall be considered by the NRC taking into account various parameters included in this policy document and recommended to the Board for approval. This shall be further subject to the approval of the members at the next General Meeting of the Company in consonance with the provisions of the Act and the rules made thereunder;

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5.4 For KMP and Senior Management Personnel, remuneration shall be based on the KRAs identified and the achievement thereof. The increments shall usually be linked to their performance as well as performance of the Company:

6. Review

This policy will be reviewed at appropriate time, as decided by the Nomination and Remuneration Committee and with the approval of the Board. The utility and interpretation of this policy will be at the sole discretion of the NRC/ Board.

Change Control Record

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2.0	30.05.2016