



BHARTI HEXACOM LIMITED

Charter Document of Nomination and Remuneration Committee

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1. Purpose and Objective

As per the provisions of Section 178 of the Companies Act, 2013 ('Act') and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Company is required to constitute a committee to carry out functions relating to formulation of a policy with respect to appointment and remuneration of directors, KMPs & senior management, devising the criteria for performance evaluation of the Board of Directors, amongst others.

The objective of this Charter is to clearly document the composition, quorum, powers and roles & responsibilities of HR and Nomination Committee ('Committee') of the Company by adhering to the highest corporate governance standards.

2. Composition

- 2.1. The Committee shall comprise of atleast three members. All the members of the Committee shall be Non-executive Directors out of which atleast two thirds of the members shall be Independent Directors.
- 2.2. The Chairperson of the Committee shall be an Independent Director.
- 2.3. Company Secretary/ Deputy Company Secretary of the Company shall act as the secretary to the Committee.

3. Meetings and Quorum

- 3.1. The Committee shall meet atleast four times a year. The time gap between any two consecutive meetings shall be less than four months.
- 3.2. The quorum for the meeting of Committee shall be two members or one third of total members, whichever is greater, subject to presence of atleast one Independent Director.
- 3.3. The Chairperson of the Committee shall, after the Committee meeting, brief the Board on major discussions & decisions at such meeting, in summary form.

4. Roles and Responsibilities

The key roles & responsibility of the Committee shall, *inter-alia*, include the following:

HR Related

- 4.1. Formulation and recommendation to the Board, a policy relating to remuneration of Directors, Key Managerial Personnel and other employees.
- 4.2. Determine the compensation (including salaries and salary adjustments, incentives/ benefits, bonuses) and KRAs & performance targets of the Chairman and of the Managing Directors & CEOs



- 4.3. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
- 4.4. In the event of no profit or inadequate profit, to approve the remuneration payable to managerial persons, taking into account the Company's financial position, industry trend, appointee's qualification, experience, past performance, past remuneration while bringing objectivity in determining the remuneration package, while striking a balance between the Company's interest and shareholders.
- 4.5. Attraction and retention strategies for employee.
- 4.6. Review employee development strategies.
- 4.7. Assess the learning and development needs of the Directors and recommend learning opportunities, which can be used by Directors to meet their needs for development.
- 4.8. Review all human resource related issues, including succession plan of key personnel.
- 4.9. The Committee shall also consider any other key issues/ matters as may be referred by the Board, or as may be necessary in view of Regulation 19 of the SEBI Listing Regulations or any other statutory provisions applicable to the Company for time being in force.

ESOP Related

- 4.10. Formulation of ESOP plans and decide on future grants.
- 4.11. Formulation of terms and conditions on following under the present ESOP Schemes of the Company with respect to the following:
 - Quantum of options to be granted under ESOP Scheme(s) per employee and in the aggregate under a plan.
 - Performance conditions attached to any ESOP Plan.
 - Conditions under which options vested in employees may lapse in case of termination of employment for misconduct.
 - Exercise period within which the employee should exercise the option, and that option would lapse on failure to exercise the option within the exercise period.
 - Specified time period within which the employee must exercise the vested options in the event of termination or resignation of an employee.
 - Right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period.
 - Procedure for making a fair and reasonable adjustment to the number of options and to the exercise price, in case of rights issues, bonus issues and other corporate actions.
 - Grant, vest and exercise of option in case of employees, who are on long leave, and the procedure for cashless exercise of options.
 - Any other matter which may be relevant for administration of ESOP schemes from time to time.
- 4.12. Other key issues as may be referred by the Board.



Nomination Related

- 4.13. Formulate the criteria/ policy for appointment of Directors, Senior Management, which shall, *inter-alia*, include qualifications, positive attributes, diversity and independence of a Director.
- 4.14. Review and recommend the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and Board Committees.
- 4.15. Evaluate the balance of skills, knowledge, experience and diversity on the Board for description of the role and capabilities, required for a particular appointment.
- 4.16. Identify and recommend to the Board, persons who are qualified to become Directors and who may be appointed in Senior Management, including Key Managerial Personnel, in accordance with the criteria laid down and their removal thereof.
- 4.17. Recommend the appointment of any Director to executive or other employment/ place of profit in the Company.
- 4.18. Review succession planning for Executive and Non-executive Directors and other Senior Executives, particularly the Chairman, Managing Directors & CEOs.
- 4.19. Recommend suitable candidate for the role of Lead Independent Director.
- 4.20. Formulation of criteria for evaluation of Independent Directors and the Board.
- 4.21. Conduct an annual evaluation of the overall effectiveness of the Board, the Committees of the Board and the performance of each Director and ascertain whether to extend or continue terms of appointment of the Independent Director, on the basis of report of performance evaluation of Independent Directors.
- 4.22. Review the charter document of all the Board committees, on an annual basis, and recommend any change to the Board of Directors.

The Committee shall carry out such other functions as may be delegated by the Board of Directors from time to time, or as may be stipulated under the Act, SEBI Listing Regulations, or any other law applicable to the Company, for time being in force.

5. Authority & Powers

- 5.1. Investigate any activity in the Company within its terms of reference.
- 5.2. Seek any information that is required from any employee of the Company, and all employees have been directed to cooperate with any request made by the Committee.
- 5.3. Use the services of an external agencies and obtain outside legal or independent professional advice, if required.
- 5.4. Access sufficient resources to carry out its duties.



- 5.5. Invite other Directors / Officers of the Company & subsidiary company(ies) or any other to attend the meetings of the Committee as 'Invitees' from time to time as and when required.
- 5.6. Delegate any function as mentioned in Clause 4 above to one or more sub-Committee(s), employee(s), officer(s), representative(s), consultant(s), professional(s), agent(s) etc., whenever required.

6. General

- 6.1. The Charter shall be reviewed by the Committee on periodic basis and appropriate changes, if any, shall be recommended to the Board of Directors for updation of this Charter.
- 6.2. The Company Secretary of the Company shall have authority to make appropriate changes in this Charter based on the regulatory amendments and present it to the Committee and Board of Directors for their review, noting and ratification at the subsequent meetings.
- 6.3. In case any provision of this Charter is contrary to or inconsistent with the provisions of the Act, SEBI Listing Regulations and/ or any other applicable law for time being in force, the latter shall prevail.
- 6.4. Words and expressions used in this Charter, shall have the same meaning as ascribed to them in SEBI Listing Regulations, SEBI Act, Companies Act, 2013, rules & regulations made thereunder and/ or any other law applicable to the Company for time being in force.