Objective

The key goal of the policy is to ensure **better co-ordination, team work and higher levels of ownership for desired project outcomes** amongst the entire Operations team – including all associates of Construction Management (all cells) and other associates working on the project from Design and Procurement. The desired project outcomes are:

1. Timely delivery (highest priority)
2. High Quality (important priority)
3. Budget Adherence (lower priority)

   Subject to high standards of EHSE compliance.

The organization is focused on the fact that 'time is money' and timely project completions lead to huge savings through overhead moderation, inflation impact moderation and customer goodwill creation.

Applicability

This policy is applicable to all associates on the rolls of the Company from the Operations team – including all associates of Construction Management (all cells) and other associates working on the project from Design and Procurement.

This policy will cover bonus roll-out for Operational teams under the following heads:

1. Quarterly Bonus
2. Plant Quality Bonus
3. KCA Completion Bonus

Policies/Guidelines referred:

1. Guidelines for Marketing Payment Schedule
2. Policy for Gross Weight Calculation
3. Scope of work of Construction Management - Finishing
4. Plant Definition Policy

Policy Guidelines

1. **CVP - Quarterly Bonus:** The Company shall pay a quarterly bonus to its Operations Associates who are directly working on a project, linked to site performance, from 1st April 2010 onwards. The key highlights include:

   a) Will be linked to actual performance of the respective department/cell as per the criteria mentioned in below table. Overall performance for department/cell during the quarter (called 'Achievement Level') shall be weighted average of scores along the applicable criteria. Weightage for each department/cell for a criteria are mentioned in braces() within respective cells

Cell	Criteria	Pre-requisites/Multipliers if any
Construction Management (including commercial manager, Façade and MEP integrated teams) Finishing Quality Enhancement EHSE MM cell	Milestones^ achieved v. Planned (as per cumulative annual plan) (100%)	• Quality as per acceptable standards as certified by QC for Structure and COO for Finishing / Façade / MEP (not applicable to QE). • If any fatalities on site due to construction activity, for each fatality, one-third of the quarterly bonus amount for that quarter shall be deducted for the project. If non-fatal hospitalization > 48 hours, for each non-fatal hospitalization, one-sixth of the quarterly bonus amount for that quarter shall be deducted for the project.

   * If multiple associates of the same level + grade, they will all be covered. ^ As per updated 'Guidelines for Marketing Payment Schedule', including customer, additional and possession-related milestones.

   The weightage for each criterion is given in parenthesis along with the criteria for each cell or department.

   b) **CVP - Quarterly Bonus Amounts:**

Level	CVP-Quarterly Bonus as % of fixed pay
0	21%
1	18%
2	13.50%

3	8.25%
4	5%
5	0%

CVP - Quarterly Bonus shall be 1/4th of the aforesaid amount x Multiplier as per c. below.

c) **Payout Criteria:** Quarterly Bonus payout to eligible associates of a department/cell will be calculated based on Achievement Level (as defined in) as follows:

% of Milestones Achieved (on cumulative annual basis, measured at end of each quarter)	Multiplier
>95%	95% + (Milestones Achieved% - 95%)*2 ; max payable upto 120%
85%-94.9%	90%
75% - 84.9%	75%
<75%	0%

d) **Eligibility:** Effective 1st April 2016, the Quarterly Bonus Policy will be

i. applicable to all associates (even those not yet confirmed) of

- Level 0-4 of Construction Management Department (all cells), except for specific exclusions under d ii.

ii. Shall NOT be applicable to

- Level C (0X) associates of CM dept
- Anyone associate of COO office involved in implementation of this policy
- any General category associates or
- Procurement, Design or Design & Cost Optimisation dept

e) In case of non-confirmed associates, amount shall be accumulated at end of each quarter (if 'at target' norms are achieved) and paid upon confirmation (if associate is not confirmed, amount shall not be paid).

f) In case an associate has worked on a project for part of the quarter only, bonus amount shall be calculated on pro-rata basis, based on no. of days worked during quarter / total no. of working days during quarter, subject to a minimum of 1 month (30/31 calendar days) of work on the site.

g) Targets will be communicated by 10th of each quarter and performance will be measured as on the 31st of the last month of the quarter.

h) Date of evaluation shall be deemed to be the 1st Working day after end of relevant quarter. Shall be paid by the 31st of the month following the end of the concerned quarter.

i) COO'S Office will coordinate with respective CM Planners for compiling QB Ratings duly signoff by PMH/PD/CH and get it reviewed with COO before communicating to HRMS for disbursement.

2. **CVP - Plant Quality Bonus:** In addition, the Company shall also have a CVP - Plant Quality bonus for select Design & CM department cells to achieve the required emphasis on quality of design, detailing, contractor/vendor/product selection and construction period control/input and enable them to play a larger role in driving the end product quality. This bonus is applicable for all plants for which commencement of possession (i.e. first PDL sent as per possession policy guidelines) happens after 1.4.2016.

a) **Quality parameters:** In order to ensure special focus on key elements of end product quality, four different parameters of quality are chosen to determine this bonus. These are:

	Quality Performance Parameters	**Design Cells Responsible**	**CM Cells responsible**	**Evaluation Authority** (1- Exceeds/Meets Expectation 0.5 – Partly Meets Expectations, 0 – Does Not Meet Expectations)
a.	Leakage – negligible to nil	Arch + Structural + Façade + MEP	CM-Civil + CM-General + Façade (if specialist façade) + QE+MEP	Level 0 of HFM (66.67%) + Level 0 of CC (33.33%)
b.	Non-KCA FOH area finishing – aesthetic, workmanship and functional quality (non –KCA FOH includes unit, lift lobby and other Front of House areas that are not eligible for consideration for KCA Finishing bonus)	ID / Arch (as per who is handling the ID for FOH area)	CM-General + CM-Finishing (any/or select associates of CM-General who handled the FOH finishing)	Director-Operations/COO (66.67%) + CSO (33.33%)
c.	Reliable MEP services to customer i.e. water supply (including recycled water), electricity supply, gas supply	MEP	CM-General + CM-MEP	Director-Operations/COO (66.67%) + Level 0 HFM (33.33%)
d.	Landscape and Visible Infra – aesthetic, workmanship and functional quality	Arch + MEP	Select associates of CM-General (including Horticulture) who handled the Landscape & Visible Infra	Director-Operations/COO (66.67%) + CSO (33.33%)

b) **Eligibility:**

i. Applicable to all associates in level 0-2 (level to be considered as on the date of first PDL) of Design & CM department (differing cells) responsible for a given quality parameter (as enlisted in the table earlier), who have worked on the project in a substantial manner (>80% of their time) for 6 months or more (regardless of whether the said associate is working on the said plant at the time of commencement of possession).

ii. The Plant Quality Bonus payout shall be contingent on the said plant meeting at least 75% of its milestones as per the CVP-Quarterly bonus policy and possession being commenced (first PDL sent as per possession policy guidelines) as per possession date communicated as on the date of launch + 12 months grace period.

iii. Shall be paid in Nov each year for plants that are completed up to August of that year. Date of evaluation shall be deemed to be 31st October.

c) **Plant Quality Bonus Amounts:**

i. **For eligible CM dept associates:** Equal to one-third of the amount of CVP-Quarterly bonus paid to the associate during the tenure of his working on the said plant.

ii. **For eligible Design associates:**

	Quality Performance Parameters	**Amount per sq. ft. of Saleable / leasable Area for Design Cells Responsible**
a.	Leakage – negligible to nil	0.50
b.	FOH area finishing – aesthetic, workmanship and functional quality	0.50
c.	Reliable MEP services to customer i.e. water supply (including recycled water), electricity supply, gas supply	0.50
d.	Landscape and Visible Infra – aesthetic, workmanship and functional quality	0.50

The amount for each Quality Performance Parameter shall be split in following proportion amongst eligible associates (see Eligibility criteria above) of the relevant 'Design cells Responsible' based on their level as on the date of first PDL:

Level	**Weightage**
0	2.5
1	2
2	1.5

3. CVP - Key Common Areas (KCA) Completion Bonus

a) **Eligibility**: In case of Key Common Areas, Completion Bonus shall apply as follows for members

i. Any (level 0-5) associate of the CM team which is dedicated for key common areas,
ii. (level 0-4) of the Procurement team which is dedicated for key common areas and
iii. (level 0-4) of the Interior Design or Architecture team working on the interior design of the said Key Common Area:

who have worked on a Key Common Area for at least 80% of its execution duration (start of construction to completion).

b) **Bonus Amounts** (applies to all KCAs completed on/after 30th September 2014 – for those completed before this date, previous policy applies):

BUA of the relevant KCA (sq. ft.)	Amount psf of BUA
0-2000	0
2001-5000	50
5000+	35 (subject to min. of Rs. 250,000/- and max. of Rs. 25,00,000/-)

The amount for each KCA shall be split in following proportion amongst all eligible associates (all depts./cells taken together) (see Eligibility criteria above) based on their level during the time that they spent on the project.

Level	Weightage
0	2.5
1	2
2	1.5
3	1
4	0.75
5 (if eligible)	0.75

c) **At Target** for KCA Bonus for each cell will be defined as achieving:

Cell	Criteria 1	Criteria 2
Interior Design; Procurement; CM (Key Common Area team only)	Completed as per timelines committed to Marketing w.r.t readiness (for sales office and sample flat) and timeline as per plan (subject to any shift in excavation/piling start date for the said Key Common Area) for other Key Common Areas (50% weight) (1 – Yes; 0.5 – Yes with overrun of max 30 days; 0 – No)	Quality as per acceptable standards as certified by Director-Operations/COO (66.67%) and CSO – (33.33%) (50% weight) (1 – Yes; 0.5 – Yes but with moderate gaps; 0 – No)

d) **Payout Criteria**: Key Common Area completion bonus will be paid out only on achievement of a score of 75% or above.

e) **Date of Evaluation:** Date of evaluation shall be 30th Sept & 31st Mar for Key Common Areas which have completed since the last Date of evaluation. KCA Bonus amount shall be paid in Oct & Apr Payrolls respectively.

f) The annual KCA payouts shall be reported to the COO, MD and policy administrator.

Notes:

a) The KCA bonus shall be paid for each such eligible project to eligible associates (see eligibility criteria above) of the Interior Design Team, the Procurement team which is dedicated for KCA or CM team, irrespective of whether the concerned associates are working on any other project in parallel.

b) BUA of a KCA shall never be considered > carpet area x 1.2. Carpet Area shall be calculated as per relevant design policy.

4. Annual Variable Pay (AVP): Following AVP (related to individual performance) shall continue for CM associates:

Level	AVP @ Good as % of fixed pay
0	7.0%
1	6.0%
2	4.5%
3	4.25%
4	2.5%
5	0%

Notes

1. Plant shall be defined to be any saleable/leasable/institutional (eg. school, hospital) building of >= 4 or more levels above ground (and subject to said Plant being also defined in SAP) and shall cover/include all infra & other works its immediate vicinity i.e. 20 mtrs. For ease, PD/PMH can group select plants together within 6 months of construction start for any plant (can be done by 30th Nov 2014 for plants which are under construction as on 1.9.14) and inform the same to COO'S Office – such grouped plants shall be used for the purposes of calculation of Plant Quality Bonus.
2. Project shall be defined as per the definition used by COO'S Office in 'Plant-Definition' policy. In case the project size is > 2.5 million sq. ft. (Very Large Project), the site can be divided into smaller project zones of min. 8,00,000 sq. ft. each (based on geography / physical separation) by Planning (in consultation with Level 0/1 in-charge of the project from CM, within 3 months of start of construction on the project). These smaller zones shall not be changed during the project duration unless there is a significant change in project work under execution. These smaller project zones shall be used for purposes of performance monitoring & payment of the aforesaid bonuses. It is open for the Level 0/1 in-charge of the project from CM to not agree to these smaller zones and ask for the entire project to be considered as a single entity.
3. Key Common Areas (KCA) shall follow KCA policy definition.

4. In case of associates working on multiple regular projects (excluding key common area) (e.g. select QE, Stores, Horticulture, Safety, Design, Procurement associates) at the same time:
    a. the Quarterly Bonus shall be based on the average weighted bonus % payable on each of the projects (excluding key common area) they are working on, computed using following weights: Very Large Project: 3, Large Project: 2, Medium: 1, Small: 1, multiplied by the amounts stated hereinabove.
5. Monitoring of targets & performance shall be done by COO'S Office. Every incidence of payment (or lack thereof) of these bonuses shall be accompanied by reason for the same so as to incentivize the appropriate focus and behavior.
6. In case of any hold on a plant due to liaison or BD reasons for > 30 days, the said period + a 15 day startup period will be added to the subsequent milestone targets.
7. All amounts above shall be increased by sum of annual CPI inflation over last 2 years (amount rounded off to nearest 100) on 1st April of every even year, starting 1st April 2018.
8. The CM associates who qualify under this scheme shall not be paid Annual Variable Pay (AVP) / APS (Annual Profit Share) under any other scheme, unless otherwise explicitly noted in this scheme.
9. The amounts paid under this scheme shall be in addition to monthly salary and any Club scheme / equivalent LTI.
10. Applicability in case of separation:
    a) If person has tendered resignation before the date of evaluation, he will not be paid the bonus (even if eligible). If person has tendered resignation after the date of evaluation he will be paid the bonus.
    b) If company has asked person to leave after the date of evaluation, he will be paid the bonus. If company has asked person to leave prior to the date of evaluation, he will NOT be paid the bonus (even if eligible). An exception may be made (with approval of HoD HR) in case of redundancy in which case a prorated amount pertaining to the period employed during the quarter would be released when announced.

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