

GAMMON INDIA LIMITED

[CIN:L74999MH1922PLC000997]

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NOMINATION AND REMUNERATION POLICY

1. PREAMBLE :

The Selection and Remuneration Committee ("Committee") of Gammon India Limited ("the Company") was constituted by the Company's Board of Directors on 6th May 2009. The Committee currently comprising of three (3) Independent Directors viz. (1) Mr. C. C. Dayal, (2) Mr. Naval Choudhary & (3) Mrs. Urvashi Saxena. In order to align the duties and responsibilities of the Committee with the provisions of the Companies Act, 2013 and the Listing Agreement, the Board of Directors (the "Board") at its meeting held on 3rd April 2014 renamed the "Selection and Remuneration Committee" as "Nomination and Remuneration Committee" (the "Committee"). The Nomination and Remuneration Committee and this Policy is in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto and in line with the provisions of Clause 49 of the Listing Agreement.

2. DEFINITIONS :

- (a) **Board** means the Board of Directors of Gammon India Limited.
- (b) **Committee** means the Nomination and Remuneration Committee constituted by the Board of Gammon India Limited.
- (c) **Company** means Gammon India Limited.
- (d) **Key Managerial Personnel** means:
 - (i) Chief Executive Officer or the Managing Director or the Manager;
 - (ii) Company Secretary,
 - (iii) Whole-time Director;
 - (iv) Chief Financial Officer; and
 - (v) such other officer as may be prescribed by the Companies Act, 2013 or the rules made thereunder.
- (e) **Senior Management** means employees of the Company who are members of the Company's core management team excluding the Board. This would also include all members of management one level below the Executive Directors and all the functional heads.

3. CHARTER :

- (a) To identify persons who are qualified to become Directors and who may be appointed in Senior Management as well as devising a policy on Board diversity.
- (b) To lay down criteria for such appointments;
- (c) Recommend to the Board their appointment and renewal; and
- (d) To evaluate performance of every Director including the independent Directors.



- (e) To recommend to the Board remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

4. DUTIES & RESPONSIBILITIES OF THE COMMITTEE :

A. Identification of persons qualified to become Directors or occupy senior management positions and devising a policy on Board diversity:

While appointing new director(s) on the Company's Board, Key Managerial Personnel and Senior management the Committee shall implement a process to identify and evaluate suitable candidates in line based on the following guidelines ;;

- a. Well considered Organogram of the Company must be made and reviewed from time to time so that the vacancy slots, seniority and position in the Company are well defined and clear before the selection process is initiated.
- b. The incumbents must have qualifications and experience in the field that has relevance to the Company's functions and working. The incumbents should have personal attributes such as personality, seniority, articulation, decision making, team building, management skills, leadership skills and ability to participate in meetings with peers and seniors.
- c. Such appointments may be made after considering recommendations from reliable and knowledgeable sources and/or outcome of a selection process which could be based on Head Hunters' short listings or direct recruitment and advertisements, and/or promotions of the present cadre of managerial personnel.
- d. There should be a proper mix of technical skills, financial acumen and expertise such as in the fields of HR and commercial laws fairly represented at the Board level.
- e. The Managing Director shall report to the Board. The Key Managerial Personnel other than the Managing Director shall report to the Managing Director on day to day operations. However on all the matters, which in the opinion of the Key Managerial Personnel are important and critical or are required to be reported to the Board to comply with the prevailing laws and statutes, the Key Managerial Personnel shall report to the Board.

B. Fixing Remuneration of the Directors and Key Managerial personnel and Senior management :

- a. The level and composition of the remuneration should be reasonable and sufficient to attract, retain and motivate the incumbent.
- b. The Committee shall ensure that amount of remuneration is commensurate with the roles assigned to the Directors, Key Managerial Personnel and Senior Management and that the relationship between remuneration and performance is clear and meets appropriate performance benchmarks.



- c. Committee's recommendations to the Board or the Management, as the case may be, must include remuneration based on age, experience and qualification of the incumbent.
- d. Remuneration should have two components, one Fixed and the other Variable. The Fixed Component should be well defined and Variable Component, as far as feasible, should be based on factors such as growth and performance of the Company without considering exceptional items, interest and depreciation and or as may be advised by NRC and decided by the Board. The Board should have full discretion in the matter. Such Variable Component should be based either on the performance of the incumbent and/or the performance/growth of the Company. Contracts should be made in a manner that a deterrent clause is included to restrict employees leaving the organization from joining a competitor.
- e. The balance between the Fixed and Variable component can vary from time to time and from office to office.

C. Renewal of Contracts and evaluation of Directors and Senior Personnel:

Evaluation process must precede renewal of contracts. Self-evaluation is not recommended. Directors' performance, including that of independent Directors, must be evaluated by the Chairman of the Board who may seek advice from other Board members before making a recommendation.

D. Other duties & responsibilities:

The Committee's duties and responsibilities will, *inter alia*, include the following:

- to make recommendations to the Board concerning any matters relating to the Appointment and Removal of any Director at any time including the suspension or termination of services of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- to recommend to the Board the appointment and removal of Senior Management employee based on the criteria mentioned in this Policy .
- to recommend a succession plan for the Board and to regularly review the plan;
- to review this policy atleast periodically to make suitable changes required either pursuant to any applicable laws or by virtue of any other changes within the Company.

5. COMPOSITION :

- (a) The Committee shall consists of a minimum of three (3) non-executive directors with a majority of them being independent.
- (b) Minimum two (2) members shall constitute a quorum for the Committee meeting.



- (c) Membership of the Committee shall be disclosed in the Annual Report.
- (d) The term of the Committee shall continue unless terminated by the Board.

6. CHAIRMAN :

The Chairman of the Committee shall be an Independent Director. In the absence of the Chairman, the Committee members present may nominate any one amongst them as the Chairman of the meeting.

7. COMMITTEE MEETINGS :

- (a) The meeting of the Committee shall be held at such regular intervals as may be required.
- (b) The Chairman of the Committee will report to the Board (at the next Board meeting) on the proceedings of each Committee meeting, bringing forward all Committee recommendations requiring Board approval.

8. COMMITTEE MEMBERS' CONFLICT OF INTEREST :

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

9. DUTIES OF THE COMPANY SECRETARY :

The Company Secretary shall:

- (a) in coordination with the Chairman of the Committee finalize agenda and arrange for the Committee meetings;
- (b) provide agenda and supporting documents to Committee members sufficiently in advance so as to enable the Committee members to prepare for the meeting;
- (c) circulate minutes of each meeting to Committee members; and
- (d) circulate copies of the minutes of the Committee meeting to the remaining Board members upon request.
