

GAMMON INFRASTRUCTURE PROJECTS LIMITED

NOMINATION & REMUNERATION COMMITTEE CHARTER:

- (1) 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.
- (2) To lay down criteria for such appointments;
- (3) Recommend to the Board their appointment and renewal; and
- (4) To evaluate performance of every Director including the independent Directors.

Formulation of Criteria for identification of persons qualified to become Directors or occupy senior management positions and devising a policy on Board diversity:

- (1) 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.
- (2) 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.
- (3) 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.
- (4) 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.
- (5) 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.

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Policy relating to the remuneration of the Directors and Key Managerial personnel:

- (6) The level and composition of the remuneration should be reasonable and sufficient to attract, retain and motivate the incumbent.
- (7) 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.
- (8) 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 to join a competitor.
- (9) The balance between the Fixed and Variable component can vary from time to time and from office to office.

Renewal of Contracts and evaluation of Directors and Senior Personnel:

- (10) 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.
- (11) Performance of Key Managerial Personnel should be made by the Committee in a meeting, the Committee will be guided by the evaluation of the performance by the Managing Director / CEO or as the case may be, CFO of the Company.
- (12) While recommending renewal of the term, the Committee will follow the remuneration policy and evaluation process enunciated above.
- (13) An Exit Interview by NRC or at least one of its members is recommended particularly when the NRC has been intimated of the resignation of a Director or a KMP in order to understand the reasons for leaving the Company before the expiry of his/her term.