

Punj Lloyd Limited

Policy of the Nomination and Remuneration Committee

Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement have made it mandatory for all listed companies to appoint a Nomination and Remuneration Committee, inter alia, for the purpose of identifying persons who are qualified to be appointed as directors or be appointed in key management of the Company. Punj Lloyd Limited has a Nomination and Remuneration Committee consisting of non-executive directors.

Objective of the Policy

The objective of the policy is to ensure Board diversity and independence in order to help provide the maximum experience and access to knowledge that can be derived from the Board. Further, it is the objective of the policy that it may be aligned to the various HR policies of the Company in regard to appointment of key managerial personnel and senior management.

Board Independence

To ensure Board Independence, the Company shall appoint requisite number of persons as Independent Directors, who meet the criteria of independence under the provisions of the Companies Act, 2013 and clause 49 of the Listing Agreement, as amended from time to time.

Criteria for Evaluation of Performance

There must be clearly defined benchmarks for evaluation of performance of every director, key managerial personnel or senior management. The performance evaluation should keep in mind factors such as attendance at meetings, contribution at such board or board committee meetings and value addition that has been done by the directors. The evaluation must also take in to consideration the future strategy to be adopted by the Company.

Criteria for Determination of Remuneration

The Committee shall determine the remuneration for its Directors, the senior management and Key Managerial Personnel while keeping the following criteria in mind:

- the remuneration shall be of such an amount that is in consonance with the services that are being provided to the Company;
- the remuneration is commensurate with reference to remuneration paid to people in similar positions in peer companies;
- the remuneration is commensurate with the experience that the director or personnel brings to the Company;
- the remuneration must be of a level that is sufficient to attract, retain and motivate the best talent in the market to work for the Company;
- the remuneration is a fair balance of perquisites, commissions and salary and also includes in the case of directors any sitting fees;
- the remuneration may include both long term and short term incentives;
- the remuneration must be decided while keeping in mind the organization structure of the Company and of the Board;
- the remuneration must co-relate to the clearly defined benchmarks for performance evaluation;
- the remuneration is revised on the basis of the performance of the director/ personnel; and
- the remuneration must be in accordance with the permissible law.