

H S INDIA LIMITED

Nomination and Remuneration Policy

(Amended in Board Meeting held on 13.02.2016)

The Company has constituted Nomination and Remuneration Committee in accordance with the provisions of Listing Agreement with Stock Exchange. The Board of Directors of the Company has constituted “Nomination and Remuneration Committee” in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Objectives:

The Key Objectives of the Committee and the Policy:

- a) to guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- b) to recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

Role of Committee:

The role of the Committee inter alia will be the following:

- a) to formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) to formulate criteria for evaluation of performance of independent directors and the Board of Directors.
- c) to devise a policy on diversity of Board of Directors.
- d) to recommend to the Board the appointment and removal of Senior Management.
- e) to carry out evaluation of Director’s performance and recommend to the Board appointment / removal based on his / her performance.
- f) to recommend to the Board on
 - (i) Policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and
 - (ii) Executive Directors remuneration and incentive.
- g) to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the

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suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;

- h) to ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

Remuneration Policy:

Nomination and Remuneration Committee shall recommend the remuneration, including the commission based on the net profits of the Company for the Executive and Non - Executive Directors. This will be then approved by the Board and shareholders. Prior approval of shareholders will be obtained wherever applicable.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) to Managing Director(s), Whole time Director. Remuneration is paid within the ceiling approved by the Shareholders.

The remuneration paid to Executive Directors is determined keeping in view the industry benchmark and the relative performance of the Company to the industry performance. Perquisites and retirement benefits are paid according to the Company policy as applicable to all employees.

Independent Non-Executive Directors are appointed for their professional expertise in their individual capacity as independent professionals. Independent Non- Executive Directors shall be received sitting fees for at ending the meeting of the Board and Board Committees as may be decided by the Board and/or approved by the Shareholders from time to time.

Directors, KMPs and Senior management personnel

The remuneration of Directors, KMPs and senior management largely consists of basic salary, perquisites, allowances and performance incentives. Perquisites and retirement benefits are paid according to the Company policy, subject to prescribed statutory ceiling.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience/merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry.