

HINDUSTHAN URBAN INFRASTRUCTURE LIMITED REMUNERATION POLICY

Preamble

The Remuneration Policy of Hindusthan Urban Infrastructure Ltd. (the "Company") is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits. The policy reflects the Company's objectives for good corporate governance as well as sustained long-term value creation for shareholders.

This Remuneration Policy applies to directors, senior management including its Key Managerial Personnel (KMP) and other employees of the Company.

Guiding Principle

The guiding principle is that the remuneration and the other terms of employment should effectively help in attracting and retaining committed and competent personnel.

While designing remuneration packages, industry practices and cost of living are also taken into consideration.

Directors

As per the Policy followed by the Company the non-executive directors are paid remuneration in the form of sitting fees for attending Board and Committee meetings as fixed by the Board of Directors from time to time subject to statutory provisions. Presently sitting fee is Rs. 10,000 per Board meeting and Rs. 10,000 per Committee meeting.

Remuneration of Managing Director reflects the overall remuneration philosophy and guiding principle of the Company. When considering the appointment and remuneration of the Managing Director, the Nomination & Remuneration Committee (NRC) considers pay and employment conditions in the industry, merit and seniority of the person and the paying capacity of the Company.

The NRC while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

The NRC while considering a remuneration package must ensure a balance between fixed and performance linked variable pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

The NRC considers that a successful Remuneration Policy must ensure that some part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

The term of office and remuneration of Managing Director are subject to the approval of the Board of Directors, shareholders and the limits laid down under the Companies Act from time to time.

Reward Principles and Objectives

The Company's Remuneration Policy is guided by a reward framework and set of principles and objectives as more fully and particularly envisaged under section 178 of the Companies Act 2013, inter alia principles pertaining to determining qualifications, positive attributes, integrity and independence etc.

Reward Policies

Remuneration package for Managing Director is designed subject to the limits laid down under the Companies Act, 2013 to remunerate him fairly and responsibly. The Managing Directors' remuneration comprises of salary, perquisites and performance based incentives/ reward apart from retirement benefits like P.F., Gratuity, etc. as per Rules of the Company. Remuneration also aims to motivate personnel to deliver Company's key business strategies, create a strong performance-oriented environment and reward achievement of meaningful targets over the short and long-term.

The Managing Director is entitled to customary non-monetary benefits such as company car, furnished accommodation, health care benefits, leave travel, communication facilities, etc. His terms of appointment provide for payments as per the Companies Act.

Key Managerial Personnel (KMP) and Senior Management

Appointment of KMP & senior management and cessation of their service are subject to the approval of the NRC and the Board of Directors. Remuneration of KMP and other senior management personnel is decided by the Managing Director (MD) on the basis of their performance appraisal, where applicable, broadly based on the Remuneration Policy. Total remuneration comprises of:

1. **A fixed base salary** - set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.
2. **Perquisites** - in the form of house rent allowance/ accommodation, furnishing allowance, reimbursement of medical expenses, conveyance, telephone, leave travel, etc.
3. **Retirement Benefits** - contribution to PF, gratuity, leave encashment etc. as per Company Rules.
4. **Variable Pay**- A performance appraisal is carried out annually and promotions/ increments/ rewards are decided by the Managing Director based on the performance appraisal.
5. **Severance Payments** - in accordance with terms of employment, and applicable statutory requirements, if any.

Other Employees

The remuneration of other employees is fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living. In addition to basic salary they are also provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, where applicable. Policy of motivation/ reward/ severance payments are applicable to this category of personnel as in the case of those in the management cadre.

Disclosure of Information

Information on the total remuneration of members of the Company's Board of Directors, Whole Time Directors and KMP/ senior management personnel may be disclosed in the Company's annual financial statements as per statutory requirements.

Application of the Remuneration Policy

This Remuneration Policy shall continue to guide all future employment of Directors, Company's Senior Management including Key Managerial Personnel and other employees. Any departure from the policy can be undertaken only with the approval of the Board of Directors.

Dissemination

The Company's Remuneration Policy shall be shared on its website.
