

Annexure-I

HCG BHIWADI's NOMINATION & REMUNERATION POLICY

Section 178(4) of the Companies Act, 2013]

I Criteria for determining qualifications, positive attributes and independence of director

A. Qualifications

A director shall possess appropriate knowledge and experience in their domain areas such as Natural Gas related to distribution of CNG & PNG, law, banking and finance, corporate, governance, risk management, administration, CSR etc. and such other disciplines related to the company's business. In addition to above, at the time of appointment, emphasis will be given on experience, expertise, track record and reputation of the director.

B. Positive Attributes

A director shall be a person of integrity, who possesses relevant expertise and experience and who shall uphold ethical standards of integrity and probity. Director shall act objectively and constructively and exercise his/her responsibilities in a bona-fide manner in the interest of the company. A director must devote sufficient time and attention to his/her professional obligations for informed and balanced decision making; and assist the company in implementing the best corporate governance practices for the growth of the Company and its stakeholders. A director should be able to assist the Board, have a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company. The person should be forward looking, ethical and law abiding.

C. Independence standards

The candidate shall be evaluated based on the criteria provided under the applicable laws including Companies Act, 2013 read with Rules thereon. In addition to applying these guidelines, the Board will consider all relevant facts and circumstances in making its determination relative to a Director's independence. Each director has an affirmative obligation to inform the Board of any change in circumstances that may put his/her independence at issue. The director's independence for the independent director will be determined by the Board on an annual basis upon the declarations made by such director as per the provisions of the Companies Act, 2013 read with Rules thereon.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate

.HARYANA CITY GAS DISTRIBUTION (BHIWADI) LIMITED

CIN: U40300DL2015PLC285513

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II Compensation Policy:

The company's Compensation Policy and Practices have been formulated and maintained to meet the following objectives:

1. To attract, retain and motivate qualified and competent individuals as Director, Key Managerial and other employee levels to carry out company's business operations as assigned to them.
2. To ensure payment of salaries and perks that are comparable to market salary levels so as to remain competitive in the industry.
3. To revise the remuneration of its employees periodically for their performance, potential and value addition after systematic assessment of such performance and potential.
4. To ensure disbursement of salary and perks in total compliance to the applicable statutory provisions and prevailing tax laws of the Country. In order to meet the above objectives the company undertakes various processes in an ongoing manner such as conducting of salary survey's in every three years, periodic review of its performance appraisal and reward systems, institution of incentive schemes, providing skill and competency development to its manpower on a regular basis, providing fast track career growth paths to high performers, modification of salary structure in line with the changes in the tax laws etc.

With regard to the annual revision of the employees, respective reporting managers assess the performance of employees. However the authority for reviewing the performance and reward rests with the Nomination & Remuneration Committee of the Board of Directors of the company. In this assessment, the performance, potential and value addition to the company are assessed as detailed under:

The directors and human resource department and respective department shall widely followed practices about performance of the employee. Subsequent to completion of the structured review process, each employee is placed in one of these categories to determine the quantum of reward to be given to him/her. As the company takes continuous efforts to maintain its workforce employable, majority of the employees is generally assessed as good Contributors and the salary increase to be given to that category of employees is fixed as the bench mark.

Going forward, depending upon the various parameters and need of the organisation to retain high performers and dissuade mediocre performance on the job, the rate or quantum of increase to be given to various categories of performances may vary. Additionally, in order to get best talent from the market and retain them for longer period, company has a policy to pay compensation better than prevailing market practice to deserving candidates. In any circumstance, remuneration shall not be less than prevailing market trend. With reference to remuneration payable to the Managing Director and Whole time Director, the shareholders have passed resolution under Section 196 and 197 of the Companies Act, 2013 and approved the overall remuneration (including the commission) upto 10% of the net profit of the company for the Managing Director and Whole time Director. The shareholders have accorded approval to pay remuneration in excess of 5% net profit of the company on recommendation of the Nomination and Remuneration Committee.



Amendment & Policy Review

This policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder. Accordingly, any subsequent amendment/modifications in the Companies Act, and /or other applicable laws in this regard shall automatically apply on this policy.

