

## **REMUNERATION POLICY OF HINDUSTAN OIL EXPLORATION COMPANY LIMITED**

The Company inter-alia while deciding the remuneration package takes into consideration, the employment scenario and demand for talent in the upstream oil and gas sector.

In addition, the remuneration package of the industry / other industries for the requisite managerial talent and the qualification and experience held by the appointee are being considered.

Annual increments, if any, of the employees are considered and recommended by the Nomination and Remuneration Committee and approved by the Board.

The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Executive Directors within the ceilings prescribed under the Act, based on the performance of the Company as well as that of the Executive Director.

The Company pays a sitting fees of Rs. 25,000 per meeting to its Non-Executive Directors for attending meetings of the Board and meetings of Committees of the Board.

A commission to the Non-Executive Independent Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Companies Act, 2013 may also be paid by the Company subject to the necessary recommendations of the Nomination and Remuneration Committee and approvals by the Board of Directors and Shareholders. The said commission shall be based on their attendance and contribution at the Board and Committee meetings, as well as the time spent on operational matters other than at meetings.

The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings.

Board Approved/Reviewed on : May 28, 2015