

# **Truhome Finance Limited**

**(Formerly Shriram Housing Finance Limited)**

## **Nomination and Remuneration Policy**

*This document is confidential in nature and supersedes any Nomination and Remuneration policy existing in the Company, and should be read in conjunction with the most recent policies and procedures documented.*

*This is a controlled document. Unauthorized access, copying and replication are prohibited. This document must not be copied in whole or in parts by any means, without the written authorization of Chief Human Resource Officer, Truhome Finance Limited.*

**Truhome Finance Limited**  
**Level 3, Wockhardt, Towers, East Wing, Bandra, Kurla Complex, Mumbai – 400051**

### **Compliance Statement:**

*This Policy adheres to the extant regulatory guidelines in force as on the date of approval/ review of the Policy.*

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## 1. INTRODUCTION

This Policy on remuneration of Directors, key managerial personnel (KMPs), Senior Management (SM), Material Risk Takers (MRTs) and other employees of Truhome Finance Limited (the Company) (to be known as Nomination and Remuneration Policy) has been formulated by the Nomination and Remuneration Committee ("the Committee") and approved by the Board of Directors of the Company in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto and as per Master Direction - Non-Banking Financial Company –Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021 (amended from time to time) ("RBI Master Directions"), read along with RBI Scale Based Regulatory Framework for NBFCs and the RBI Circular dealing with 'Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs' dated April 29, 2022 ("RBI Compensation Guidelines").

## 2. OBJECTIVE

The objective of the policy is to ensure that:

- i. The remuneration level and structure are reasonable and adequate to attract, retain, and motivate directors, key managerial personnel and senior management to lead the Company effectively,
- ii. The relationship between remuneration and performance is transparent and meets relevant performance benchmarks while ensuring effective alignment between compensation and risks, and
- iii. Strike a balance between fixed and incentive pay for directors, key managerial personnel, and senior management, based on short and long-term performance objectives that are appropriate for the Company's functioning and goals.

## 3. RESPONSIBILITY OF THE NRC COMMITTEE

The Committee is responsible for:

- i. formulating criteria for determining qualifications, positive attributes and independence of a Director
- ii. recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees
- iii. devising a policy on diversity of board of directors
- iv. Formulating of criteria for effective evaluation of the performance of Board, its committees, and individual directors including the independent directors
- v. To recommend candidates for appointment as Directors, KMP and Senior Management
- vi. To review performance and recommend to the Board, remuneration of Directors, KMPs, SMPs and MRTs of the Company;
- vii. To establish and review succession plans of the Board of Directors of the Company ("Board"), KMP and Senior Management
- viii. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend policy relating to appointment and removal of Directors, KMP and Senior Management
- ix. to ensure 'fit and proper status of proposed/existing directors.

- x. to ensure that there is no conflict of interest in appointment of directors and their independence is not subject to potential threats.
- xi. carry out evaluation of performance of directors, Board and its committees on annual basis by itself or through Board or by an external agency
- xii. guide policies and practices in the talent management of the company;
- xiii. to oversee the framing, review and implementation of compensation policy of the company
- xiv. Approving & implementing ESOPs Policy or any other staff welfare schemes
- xv. To ensure succession planning for replacing key Executives and overseeing its implementation;
- xvi. To function as a quasi 'Ethics committee' to monitor and drive implementation of the Business Code of Conduct in the organisation and establish a more comprehensive governance structure
- xvii. Review of POSH Complaints on quarterly basis
- xviii. Advising the Board on issues concerning principles for remuneration and other terms of employment including remuneration for the Directors (including Non-Executive Directors), KMPs and the Senior Management Personnel of the Company after having regard to the below principles (as elaborated further in the Policy below):
  - a. The level and composition of remuneration are reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c. Remuneration to directors, KMPs and SMPs involves a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
  - d. Compensation levels are supported by the need to retain earnings of the company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP).
  - e. to approve employment agreements, severance arrangements etc.
- xix. monitoring and evaluating the application of this Policy;
- xx. any other responsibility as determined by the Board from time to time or required to be performed under applicable laws.

The Committee may work in close coordination with the Risk Management Committee (RMC) of the Company to achieve effective alignment prudent between compensation and risks.

#### 4. KEY DEFINITIONS (in alphabetical order)

- a. **Act:** Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.
- b. **Board of Directors or Board:** Board of Directors of the Company.
- c. **Company:** Truhome Finance Limited (Formerly Shriram Housing Finance Limited)
- d. **Clawback:** Contractual agreement between the employee and the Company in which the employee agrees to return previously paid or vested remuneration to the Company under certain circumstances.
- e. **Directors:** Directors of the Company
- f. **Fixed Pay:** All fixed items of compensation, this would include Monthly fixed salary payable (Basic salary, HRA, Special allowance, etc.), Perquisites and contributions towards retirement benefits (Employer contribution to PF, Superannuation, NPS, gratuity, etc.), All perquisites that are reimbursable (Car lease etc.) and have a monetary ceiling, the monetary equivalent of benefits of a non-monetary nature (Company-provided car, furnished house, Club membership, etc.)
- g. **Independent Director:** Director referred to in Section 149 (6) of the Companies Act, 2013.

- h. **Key Managerial Personnel:** Key Managerial Personnel as defined in the Companies Act, 2013 and includes the Chief Executive Officer or the Managing Director the Manager, the Company Secretary, the Whole-Time Director, the Chief Financial Officer.
- i. **Listing Regulations:** SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- j. **Malus:** An arrangement that permits the Company to prevent vesting of all or part of the amount of a deferred remuneration. Malus arrangement does not reverse vesting after it has already occurred
- k. **Material Risk Takers (MRT):** A "Material Risk Taker" (MRT) in an employee whose professional activities have a significant impact on the Company's risk profile or the assets it manages. Essentially, they are staff members whose decisions and actions directly affect the Company's risk positions, particularly regarding market, credit, or operational risks, and their actions may have major financial consequences for the institution. Their decisions directly influence capital allocation, risk position management and the overall financial performance of the institution.

Any additions / deletions to the list of MRTs identified by the Company will be informed to the NRC from time to time.

- l. **Nomination and Remuneration Committee (NRC):** Committee of the Board of Directors of the Company constituted under applicable provisions of the Companies Act, 2013 , the applicable provisions of the 'Non-Banking Financial Company- Housing Finance Company (Reserve Bank) Directions, 2021' ("RBI Directions") and Listing Regulations.
- m. **Other Employees:** All employees other than the Directors, KMP SMP and MRTs.
- n. **Policy or This Policy:** Nomination and Remuneration Policy of the Company
- o. **Retention Period:** A period of time after the vesting of instruments which have been awarded as variable pay during which they cannot be sold or accessed
- p. **Senior Management (SM):** As defined in Explanation to Section 178 of the Companies Act, 2013 including the functional heads. Heads of control functions like risk, audit & compliance are also considered as SM.
- q. **Variable Pay:** All items of compensation that are paid on the basis of the performance of an individual and/or the company.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, RBI Guidelines, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable law/regulation/rules.

## 5. APPLICABILITY

This policy is applicable to :

- i. Board of Directors
- ii. Key Managerial Personnel as defined under Section 2(51) of the Act.
- iii. Senior Management Personnel as defined above
- iv. Material Risk Takers as defined above

## **6. APPOINTMENT AND REMOVAL OF DIRECTORS, KMP AND SENIOR MANAGEMENT OF THE COMPANY**

### **6.1. Appointment Criteria and Qualifications:**

- i. The Committee shall identify persons who are qualified to become directors and who may be appointed as KMP and in Senior management in accordance with laid down criteria and recommend to the Board their appointment and removal.
- ii. A person should possess adequate qualification, fit & proper criteria, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- iii. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- iv. The company shall not appoint or continue the employment of any person as Managing Director, Whole-Time Director or manager who is below the age of twenty-one years.
- v. The Criteria for Independence of the Director(s) shall be as per the Companies Act, 2013, NHB, Listing Regulations and shall also be required to adhere to the Code for Independent Directors under Schedule IV of the Act.
- vi. Except for directorship in a subsidiary, KMP shall not hold any office (including directorship in any other NBFC-ML or NBFC-UL (including HFC).
- vii. 52A.Key Managerial Personnel (KMP) Except for directorship in a subsidiary, Key Managerial Personnel of an HFC shall not hold any office (including directorships) in any other NBFC-ML or NBFC-UL (including HFCs). A timeline of two years is provided with effect from October 01, 2022 to ensure compliance with these norms. It is clarified that they can assume directorship in NBFC-BL.
- viii. At least one of the directors shall have relevant experience of having worked in a bank/ Non-Banking Financial Company.
- ix. The Directors for the Company must meet the fit & proper criteria at the time of appointment and on a continuing basis. NRC shall ensure that there is no conflict of interest in appointment of the Director, KMP and Senior Management.
- x. Any vacancy in the office of a Director or Chief Financial Officer or Compliance Officer shall be filled by the Company at the earliest and in any case not later than three months from the date of such a vacancy.
- xi. Nominee Directors shall be taken on board, as and when nominated by the investor/s to protect such investor/s interests and such appointments shall usually be governed by the investment/share purchase agreement/subscription agreement/any other agreement the Company has/will have with such investors.
- xii. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such an evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such a description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agency, if required.
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.

## **6.2 Term / Tenure**

### **i. Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

### **ii. Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Within the permissible limits in terms of the Act, an Independent Director shall not be on the Board of more than three NBFCs/ HFCs (NBFCs-ML or NBFCs-UL) at the same time. Further, the Board of the HFC shall ensure that there is no conflict arising out of their independent directors being on the Board of another NBFC/ HFC at the same time.

The Nomination and Remuneration Committee shall determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

## **6.3 Evaluation:**

The Committee shall carry out the evaluation/assessment of the performances of Directors, KMPs, SMPs and MRTs of the Company on an annual basis or at such regular intervals as may be considered necessary as per the criteria of assessment of performance laid down in HR Manual of the Company and shall be referred to while carrying out performance evaluation. Any change/ increment in the compensation of KMPs, SMPs and MRTs shall be carried out only after being reviewed by NRC and approval of the Board of Directors.

## **6.4 Removal**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend to the Board with reasons recorded in writing, the removal of a Director, KMP or Senior Management, subject to the provisions and compliance of the said Act / RBI Directions and such other applicable law, rules and regulations.

## **6.5 Retirement**

The Directors, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act 2013, RBI Directions and the prevailing HR policy of the Company. The Board will have the discretion to retain the Director, KMP, and Senior Management in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company, subject to compliance with regulatory requirement (wherever applicable).

## **7. POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL/MRTs**

### **7.1 REMUNERATION TO MANAGERIAL PERSON, KMP, SENIOR MANAGEMENT PERSONNEL AND MRTs**

The Remuneration/ Compensation/ Commission etc. to be paid to Managerial Person, KMP, Senior Management Personnel and MRTs shall be governed as per provisions of the Companies Act, 2013, the RBI Guidelines on Compensation of Key Managerial Personnel and Senior Management and such other guidelines or any other enactment for the time being in force.

- a. The compensation of Key Managerial Personnel (KMP) and senior management and Material Risk Takers (MRT) shall be reasonable, recognising all relevant factors including adherence to statutory requirements and industry practices. The compensation package may comprise fixed and variable pay components aligned effectively with prudent risk-taking to ensure that compensation is adjusted for all types of risks, the compensation outcomes are symmetric with risk outcomes, compensation pay-outs are sensitive to the time horizon of the risks, and the mix of cash, equity and other forms of compensation are consistent with risk alignment.
- b. To ensure a robust Risk Management and Control Mechanism, KMPs, Senior Management and MRTs engaged in financial control, risk management, compliance and internal audit are compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the company. Accordingly, the company shall ensure that the mix of fixed to variable compensation for control function is weighted in favour of fixed compensation and in line with the RBI Compensation Guidelines.
- c. The remuneration to KMP, Senior Management and MRTs will be as recommended by the Nomination & Remuneration Committee and approved by Board. The NRC to arrive at the remuneration of KMPs/ SMPs/MRTs after considering qualifications, experience, technical skills, requirement of the Company and prevailing market conditions.
- d. The key components of remuneration package of the KMPs, SMPs and MRTs comprises of basic salary, all allowances, contribution to provident fund and Gratuity, premium on medical insurance and personal accident insurance, which is linked to their respective grade. They are also entitled to stock options.
- e. The KMPs, SMPs and MRTs must conduct themselves to ensure that there is no breach of the Code of Conduct, Standard Operating Procedures (SOPs), Disciplinary Policy and all other relevant and applicable Codes. Any such breach will have a direct bearing on their performance appraisal and rewards and shall also attract appropriate disciplinary action.
- f. The annual increments for the Senior Management ,KMP & MRTs (other than Whole Time Directors) and other employees shall be linked to their overall performance and as recommended by the Managing Director and CEO in consultation with their reporting managers and Human Resources Department and approved by the NRC/ ACB/ Board (as applicable).

### **7.2 KEY PRINCIPALS OF REMUNERATION.**

The Committee shall review and recommend to the Board adopting the key principles of remuneration as under:

- i. Benchmarked to appropriate market: The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate employees of the quality required to run the Company successfully.
- ii. Adopt a Pay for Performance philosophy such that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.



- iii. Have an appropriate balance in pay mix: The remuneration has a balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals. For the KMPs, SMPs & MRTs, variable pay shall be higher at higher levels of responsibility and subject to the following principles:
  - It shall be commensurate with the role and prudent risk taking profile of KMPs, SMPs & MRTs;
  - Can be reduced to zero based on performance at an individual, business-unit and companywide level
- iv. Be financially viable and relevant to market practices and commensurate to skills:
  - taking into account, financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, and any other relevant factors that the Committee may deem fit;
  - be in a position to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders.
- v. The compensation of KMPs, SMPs & MRTs shall be aligned effectively with prudent risk taking to ensure that:
  - compensation is adjusted for all types of risks;
  - the compensation outcomes are symmetric with risk outcomes;
  - compensation pay-outs are sensitive to the time horizon of the risks. This is because any risk assumed has a time horizon i.e. there shall an estimated time period over which the results/outcome of the risk assumed is realised in which the risk may or may not materialise. There may be certain cases where the outcome is realised in a short time span, while there may be some cases where outcome shall realise only in the long-run. Variable compensation payments shall be structured accordingly. Payments should not be finalised over short periods where risks are realised over long periods. There must be adequate mechanism to avoid or defer payouts for income that cannot be realised or whose likelihood of realisation remains uncertain at the time of payout. The malus/clawback provisions may capture this.
  - the mix of cash, equity and other forms of compensation are consistent with risk alignment.
- vi. Compliant with local laws:
  - Remuneration is in compliance with the relevant provisions of the Companies Act, 2013.
  - Remuneration for all employees is in compliance with the relevant provisions of Payment of Wages Act, Minimum Wages Act, and such other relevant Labour Laws of the country as may be applicable to the Company from time to time.

### **7.3 DETERMINATION OF REMUNERATION FOR KMPs, SMPs and MRTs**

#### **7.3.1 Fixed Pay/Compensation:**

Fixed pay/compensation will be determined based on the size and scope of the job, trends in the market value of the job and the skills, experience and performance of the employee. Composition of Fixed Pay shall be as under:

- a. All the fixed items of compensation, including the perquisites and contributions towards superannuation/retiral benefits, shall be treated as part of fixed pay;
- b. All perquisites that are reimbursable may also be included in the fixed pay so long as there are monetary ceilings on these reimbursements;
- c. Monetary equivalent of benefits of non-monetary nature (such as free furnished house, use of company car, etc.) may also be part of fixed pay.

### **7.3.2 Variable Pay:**

Variable compensation which may be in the form of share-linked instruments, or a mix of cash and share-linked instruments. The share-linked instruments shall be in conformity with relevant statutory provisions. The KMP, SMP & MRTs may also be eligible for Long Term Incentive Plan in the form of stock options, retention cum loyalty bonus or any other equivalent instruments.

### **7.3.3 Proportion of Variable Pay:**

The proportion of variable pay in total compensation shall be commensurate with the role and prudent risk-taking profile of SMPs, KMPs & MRTs. At higher levels of responsibility, the proportion of variable pay shall be higher. There shall be proper balance between the cash and share-linked instruments in the variable pay compensation in case the variable pay contains share linked instruments. The variable pay shall be truly and effectively variable and can be reduced to zero based on performance at an individual, business-unit and company-wide level. To do so, performance measures and their relation to remuneration packages shall be clearly defined at the beginning of the performance measurement period to ensure that the employees perceive the incentive mechanism.

### **7.3.4 Deferral of Variable Pay:**

For KMPs, SMPs & MRT and Senior Management, both cash and share linked variable pay maybe deferred as recommended by the Committee and as approved by the Board of the Company. The deferral quantum and the deferral period for share linked instruments will be governed by relevant Rules/Scheme which will approved by the Board and shareholders.

In instances where the cash component exceeds 100% of the fixed pay, the amount exceeding 100% of the fixed pay may be deferred. The excess amount is eligible for deferral for a maximum period of three years. The Committee reserves the right to modify the duration based on industry norms, regulatory requirements, the company's risk exposure, and emerging best practices, as deemed necessary from time to time.

In the event of a separation of an employee on good terms with the company, the Committee shall have the discretion to waive part or whole of the deferred pay.

**7.3.5 Performance measures** and their relation to remuneration packages should be clearly defined at the beginning of the performance measurement period to ensure that the employees perceive the variable mechanism.

**7.3.6 Reimbursement of Expenses:** KMPs, SMPs and MRTs will also be entitled towards reimbursement for tour and travel expenses incurred while on business tour & travel for official purpose as per HR Policy of the Company.

**7.3.7 Guaranteed bonus:** Guaranteed bonuses may not be paid to KMPs, SMPs & MRT. However, in the context of new hiring, a joining/sign-on bonus may be considered and such a bonus will neither be considered part of fixed pay nor of variable pay for the purposes of this policy.

### 7.3.8 Malus and Clawback:

**Malus** arrangement permits the Company to prevent the vesting of all or part of the variable pay which has been deferred. It does not reverse vesting after it has already occurred.

**Clawback** is a contractual agreement between the employee and the Company in which the employee agrees to return previously paid or vested compensation attributable to a given reference year in which the incident has occurred. The return would be in terms of net amount.

Malus and Clawback provisions shall apply regardless of whether the employee is in the employment of the Company or has separated.

As a guiding principle prior to any action being taken by the NRC under this provision, the NRC and the company will ensure due regard to the Principles of Natural Justice. The variable pay part of compensation will be subject to Malus and Clawback arrangements in the event of certain circumstances

#### **CIRCUMSTANCES UNDER WHICH APPLICATION OF MALUS AND CLAWBACK IS TO BE CONSIDERED:**

- i. A material breach of the company's Code of Conduct, any Non-Disclosure Agreement, regulatory procedures, internal rules, and regulations, or any other such instance for which the NRC, in its discretion, deems it necessary to apply Malus or/and Clawback provisions.
- ii. Fraud, breach of trust, dishonesty, or wrongful disclosure by the employee of any confidential information.
- iii. Wilful misinterpretation/misreporting of the financial performance of the company.
- iv. Any misconduct pertaining to moral turpitude, theft, misappropriation, corruption, forgery, embezzlement, or of a criminal nature.
- v. Non-disclosure of material conflict of interest by the employee or any misuse of official powers.
- vi. An act of wilful, reckless, grossly negligent conduct which is detrimental to the interest or reputation of the company.
- vii. Malus may also be applied in the situation of significant deterioration of financial or risk performance from one financial year to the next.
  - a. The performance measures defined as part of the setting process of the company, business threshold metric, and sustainable business strategy framework would form the primary considerations for evaluating the application of Malus in this condition.
  - b. The NRC may duly take into consideration factors that were within the control of the person, and/ or beyond reasonable control on account of conditions such as macro events, market conditions, industry performance, changes in legal/regulatory requirements, force majeure events like the occurrence of natural disasters, pandemic, other socio-economic conditions, etc.

- viii. The above events are to be considered by the NRC for application of Malus and Clawback where they result in significant loss to the company or its shareholders.
- ix. Circumstances that may trigger Malus or Clawback provisions will be reviewed periodically by the NRC.

#### **APPLICATION OF MALUS & CLAWBACK PROVISIONS:**

- i. The Committee will review the requirement to invoke the malus and clawback on happening of one or more circumstances/ events as mentioned above.
- ii. The review by the NRC will aim to determine the involvement, accountability, severity, and wilful nature of the act of the concerned person/s.
- iii. Bonafide errors of judgment will not be subject to Malus provisions
- iv. The provision of a Malus arrangement would entail the cancellation of a deferred portion of variable pay.
- v. The NRC may decide to apply Malus on part, or all of the unpaid cash portion of variable pay or unvested ESOPs basis the level of involvement, proportionality, and impact.
- vi. The provision of a Clawback arrangement would entail the return of already paid variable pay in cash and/ or ESOPs attributable to a given reference year to which circumstances triggering the provisions of Malus and Clawback are related.
- vii. The NRC may decide to apply Clawback on part, or all of the variable pay basis level of involvement, proportionality, and impact.
- viii. Malus/ clawback clause can be applied for a period of 4 years after the date of grant of Total Variable Pay.

**7.3.9** Remuneration to Other employees shall be governed and paid as per the HR policies of the Company

**7.3.10** Remuneration packages may contain any or all of the following:

- a. annual salary based on conditions and the relevant market – with provision to recognize the value of the individuals' personal performance and their ability and experience;
- b. ad hoc rewards, special payments and other measures available to reward individuals and teams following a particular outstanding business contribution;
- c. bonuses – a lump sum payment which has no bearing on the performance of the individual in respect of risk taking but is guaranteed upon the achievement of a certain criteria such as achieving the target of identified business drivers and personal key performance indicators measured over the period of the assessment and shall not be paid to the KMPs and Senior Management. However, Company shall at its discretion allow sign-on bonus to new employees as per their skill and qualifications.

## **8. REMUNERATION TO NON- EXECUTIVE / INDEPENDENT DIRECTOR**

- i. The remuneration payable to each Non-Executive Director (including Independent Directors) is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made thereunder;
- ii. The remuneration to the Non-Executive Directors (including Independent Directors) may be restricted to the sitting fees for attending meetings of the Board and Committees of Board, provided that any sitting fees paid to the Independent Director shall not be less than the sitting fees paid to Non- Executive Directors and shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.
- iii. The remuneration to the Non-executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limits as per the applicable provisions of the Companies Act, 2013.
- iv. Independent Directors shall not be eligible for stock options of the Company, if any.

## **9. DIRECTORS AND OFFICERS LIABILITY INSURANCE**

All Directors (Including Independent Directors, Non-Independent Non-Executive Directors, Whole Time Directors) and Key Managerial Personnel shall be covered under the Directors and Officers Liability Insurance (D&O) Policy.

## **10. EMPLOYEE STOCK OPTION (ESOP)**

In order to attract and retain the key/ quality talent and to motivate the employees to achieve long-term business goals, the Board may consider at an appropriate time the issue of Employee Stock Options for the identified employees in accordance with the Company's ESOP Policy. Independent Directors shall not be entitled to any stock options.

## **11. DISCLOSURES**

Company shall make necessary disclosures on website, annual report and financial statements as required under relevant provisions of the Companies Act 2013, SEBI, Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI's Scale Based Regulation (SBR) and any other applicable regulations and rules therein.

The Company shall disclose the criteria for performance evaluation, terms of the Remuneration Policy as laid down in this policy, in its Annual Report or make such other disclosures as may be required under the applicable statutory requirements.

## **12. REVIEW, MODIFICATION & CHANGES OF THE POLICY**

There shall be an annual review of the Policy or at earlier intervals as may be deemed necessary by the Nomination and Remuneration Committee (NRC) and approval by the Board of Directors. The NRC may issue/implement such guidelines, procedures, formats and/or reporting mechanisms to enforce this Policy as it may deem fit.

In case of amendments in the relevant guidelines or issue of further guidelines by the regulator(s), the Policy shall be revised and placed before the Board for its approval. Board of Directors can at any time modify or amend, either the whole or any part of Policy considering any changes in the regulatory norms, audit observations and business requirements.

In any circumstance, where the terms of this Policy differ from any existing or newly enacted law, rule, regulation, or standard governing the Company, the applicable law, rule, regulation, or standard will take precedence over this policy until such time as the Policy is amended to confirm to such law, rule, regulation or standard.

### **13. DISCLAIMER**

While this policy has been made as informative as possible and structured to ensure quick and easy interpretation by all. As and when there's an amendment to this policy, the updated policy document will be shared through the appropriate channel of communication.

## Sign-off History

Version Number	Sign-off Details	Name	Sign-off Date
5.0	Prepared By	Puja Shah	17.07.2025
	Reviewed By	Easwaran Krishnan	17.07.2025
	Recommended By	Nomination and Remuneration Committee	28.07.2025
	Approved By	Board of Directors	29.07.2025

Version Number	Sign-off Details	Name	Sign-off Date
4.0	Prepared By	Secretarial Team and external consultant	12.04.2025
	Reviewed By	Easwaran Krishnan	13.04.2025
	Recommended By	Nomination and Remuneration Committee	23.04.2025
	Approved By	Board of Directors	24.04.2025

Version Number	Sign-off Details	Name	Sign-off Date
3.0	Prepared By	Puja Shah	17.10.2023
	Reviewed By	Easwaran Krishnan	18.10.2023
	Recommended By	G S Agarwal	18.10.2023
	Approved By	Board of Directors	20.10.2023

Version Number	Sign-off Details	Name	Sign-off Date
2.0	Approved By	Board of Directors	20.04.2015

Version Number	Sign-off Details	Name	Sign-off Date
1.0	Approved By	Board of Directors	27.10.2014