

## **APPOINTMENT AND REMUNERATION POLICY**

The following policy on directors' appointment and remuneration including the criteria for determining qualifications, positive attributes and independence of a Director, etc of the Company has been reviewed and approved by the Board at its meeting held on May 4, 2023 on the recommendation of the Nomination and Remuneration Committee. The policy also includes the remuneration policy for all the employees of the Company including the Key Managerial Personnel:

### **i. Appointment and Qualifications/positive attributes and Independence of the Directors**

- a) The Directors shall possess appropriate balance of skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, information technology or other disciplines related to the Company's business;
- b) The Directors are expected to have proven record of professional success, leadership and highest level of personal and professional ethics, integrity and values.
- c) The Directors shall not incur any disqualification in terms of the provisions of the Act and Rules made thereunder and shall fulfill the "Fit and Proper" criteria prescribed under the directions issued by RBI under the Payment and Settlement Systems Act, 2007 as amended from time to time;
- d) The Independent Directors shall fulfill the criteria of Independence laid down under section 149(6) of the Companies Act, 2013 and rules made thereunder as amended from time to time and also comply with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended from time to time;
- e) The nominee directors shall be serving officials of the nominating organization with relevant experience and expertise in areas such as finance, treasury, risk management, bond markets, payment systems, Information Technology, etc;
- f) The Managing Director and the Chairperson shall be required to fulfill the criteria as prescribed under the Act and as per the direction issued in this regard by RBI under the Payment and Settlement Systems Act, 2007 as amended from time to time;
- g) Such other qualifications as may be prescribed under the Act or directed by RBI from time to time.

- h) The appointment of all the Directors shall be made by the Board on the recommendation of the Nomination and Remuneration Committee of Directors. The procedure and manner of appointment and re-appointment of the Directors, Managing Director and Chairperson shall be in terms of the provisions of the Companies Act, 2013 and Rules made thereunder, Articles of Association of the Company and directions issued in this regard by RBI under the Payment and Settlement Systems Act, 2007 as amended from time to time including but not limited to the age limit, maximum tenure, Fit and Proper criteria and prior approval of RBI wherever required.

## **ii. Directors' Compensation**

- a) Sitting fees shall be paid to the Directors other than the Managing Director / Manager/ Whole-time Director, for attending Meetings of the Board or Committees thereof or for any other purpose whatsoever as may be decided by the Board and the amount of such fees shall not exceed the sum as may be prescribed under Companies Act 2013 and Rules thereunder as amended from time to time.
- b) The Company will make necessary arrangements for travel, hotel and other incidental requirements for directors for attending meetings. Subject to the provisions of the Articles of Association, Directors may be paid all travelling, hotel and other expenses incurred by them in attending and returning from meetings or for such purposes in the business connection as may be decided by the Board from time to time.
- c) The Directors may be paid professional fees apart from the remuneration / sitting fees for the services rendered which are of professional nature and where in the opinion of the Nomination and Remuneration Committee, the Director possesses the requisite qualification for the practice of such profession.
- d) The remuneration to the Managing Director / Whole time Director shall be in accordance with the provisions of the Companies Act, 2013, Rules and Schedules made as amended from time to time and directions, if any, issued by RBI under PSS Act in this regard from time to time.
- e) The Chairperson shall be a Non-Executive and Independent Director and will not be remunerated except to the extent of payment of sitting fees and facilities provided for official purposes which may be decided by the Board from time to time.

### **iii. Remuneration policy for Key Managerial Personnel (Chief Financial Officer and Company Secretary) and other employees**

The remuneration / compensation etc. of the KMP (CFO and CS) and other employees will be determined by the Nomination and Remuneration Committee and recommended to the Board for approval, while keeping in mind the following guidelines:

- remuneration should be reasonable and sufficient to attract, retain and motivate the employees to be aligned with the requirements of the Company
- average levels of compensation payable to employees in similar ranks
- overall remuneration practices in the industry & market competitiveness
- based on the role played by the individual in managing the given portfolio
- alignment to regulatory requirements, etc.

The compensation structure shall comprise of the following components.

**A. Fixed Pay:** Fixed portion of compensation will comprise of Basic Pay, House Rent Allowance, Conveyance Allowance, Leave Travel Allowance, PF and Superannuation/NPS (optional contribution).

**B. Short Term Incentive or Variable Pay:** Variable Pay will be payable annually based on individual's and Company's performance every year.

**C. Long Term Incentive:** The purpose of the Long Term Incentive is to drive long term retention and reward employees for continued loyalty with the organization. The same will be granted on the basis of performance and tenure within the Company and will be paid post the stipulated vesting period.

**D. Other Benefits:** Other benefits like Gratuity, Insurance Coverage (Mediclaim, Term Life & Personal Accident), Leave Encashment will also be part of the overall remuneration package.