

## **IDBI INTECH LIMITED** **REMUNERATION POLICY**

### **I. Background**

The new Companies Act, 2013 (“the Act”) mandates prescribed class of Companies to constitute a Nomination and Remuneration Committee, which shall inter alia, formulate and recommend to the Board a policy relating to the Remuneration for Directors, Key Managerial Personnel and other employees of IDBI Intech Limited in accordance with section 178(3) of the Act.

In terms of Section 178 (4) of the Companies Act, 2013, the Key Objectives of this Policy are:

- a) to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- b) to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- c) to ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- d) to ensure that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals:

### **II Directors’ Remuneration**

The Chairman / Chairperson of the Company has been appointed by the Board of Director in non-executive capacity based on nomination by the parent Company i.e. IDBI Bank Ltd

The Managing Director and CEO of the Company has been appointed by the Board of Directors based on the recommendations and nomination of the parent company i.e. IDBI Bank Ltd. on deputation basis. The pay scale and Remuneration Structure of MD & CEO would be equivalent to pay scale & Remuneration structure being offered by IDBI Bank to the other parallel cadre officers of the Bank. If the position of MD & CEO is filled directly from the market, the pay scale and remuneration structure would be market driven and subject to approval by the Remuneration Committee / Board / Shareholders from time to time. Provided however, that the same shall be subject to the applicable provisions of the Companies Act, 2013.

The Whole-time Director of the Company if appointed, based on the recommendations and nomination of the parent company i.e. IDBI Bank Ltd on deputation basis, the pay scale and Remuneration Structure of Whole-Time Director would be equivalent to pay scale & Remuneration structure being offered by IDBI Bank to the other parallel cadre officers of the Bank. If the position of Whole-time Director is filled directly from the market, the pay scale and remuneration structure would be market driven and subject to approval by the Remuneration Committee / Board / Shareholders from time to time. Provided however, that the same shall be subject to the applicable provisions of the Companies Act, 2013.

Apart from the above, no other Remuneration would be payable to any other Director on the Board of IDBI Intech except the payment of sitting fees for attending the meetings to Independent Directors of the Board and Audit Committee of the Board and for other Board Committee Meetings as approved by the Board. These rates shall be subject to the ceilings prescribed by the Act and/or Rules made there under from time to time. Apart from the sitting fees, the expenses on Travel, Transportation and Stay of Directors attending the Board and Board Committee Meetings would be borne or reimbursed by Company.

### **III. Remuneration of Key Managerial Personnel**

In terms of section 2(51) of the Companies Act, 2013, Key Managerial Personnel, in relation to a company means:’

- (i) The CEO or Managing Director;
- (ii) The Whole Time Director;
- (iii) The Company Secretary;
- (iv) The Chief Financial Officer (CFO); and
- (v) Such other officer as may be prescribed

The Remuneration Policy for the Managing Director & CEO and Whole-time Director of the Company as at (i) & (ii) above is covered under Para II of this Policy.

As regards CFO and the Company Secretary, CFO should have relevant experience in Finance as deemed fit by the Remuneration Committee and CFO should be able to manage the finance functions of the company. The Company Secretary should be qualified Company Secretary with relevant experience. The CFO & Company Secretary would be employee of the Company and their Pay Scales and Remuneration structure shall be approved by the Remuneration Committee of the Board at the time of appointment and would be market driven.

### **IV. Remuneration of Employees in Senior Management & other employees**

The Pay Scales and Remuneration structure of Senior Management & other Employees would be finalized by the Company based on the experience of the respective candidates and would be in line with the industry.

Further, Remuneration structure of Officers on deputation from IDBI Bank (other than the Managing Director & CEO) would be as advised by IDBI Bank from time to time and would be reimbursed to IDBI Bank upon receipt of intimation from IDBI Bank.

### **V. Attendance of Chairperson of Remuneration Committee at General Meetings**

In compliance of the requirements of Section 178(7) of the Companies Act, 2013, the Chairperson or in his / her absence, any other member of the Remuneration Committee (who will be deemed to be authorized by the Chairperson) shall attend Company’s General Meetings including Annual General Meetings.

### **VI. Reporting**

This Policy shall form part of the Board Reports.

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