



Religare Broking Limited

KMPs and SMPs Appointment and Remuneration

Policy (Effective from May 16, 2018)

(Amended on August 08, 2022|May 08, 2023|Apr 29, 2026)

KMPs and SMPs APPOINTMENT AND REMUNERATION POLICY

1. Preamble

The Board of Directors (the “Board”) of Religare Broking Limited (the “Company” or “RBL”), has adopted the following policy and procedures with regard to appointment and remuneration of Key Managerial Personnel’s (“KMP”) as defined below. The Nomination and Remuneration Committee will review and may amend this policy from time to time.

This policy will be applicable to the Company. This policy is to regulate the appointment and remuneration of KMPs and SMPs based on the laws and regulations applicable on the Company.

2. Purpose

This policy is framed as per requirement of Sections 178 and 203 of the Companies Act, 2013 (“Act”) read with applicable rules & Regulations under the Act , and intended to ensure the proper appointment and fairness in the remuneration process of the KMPs and SMPs of the Company and at the same to attract and retain the best suitable talent for the Company.

To achieve the aforesaid purpose, the Board of Directors has constituted Nomination and Remuneration Committee (NRC), which inter alia, has the mandate to oversee the framing, review and implementation of this compensation policy with the approval of the Board. It may work in close co-ordination with Group Risk Management Committee (GRMC) of the Company to achieve effective alignment between compensation and risks. Further, the NRC may ensure that 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). NRC may also ensure that there is no conflict of interest in appointment of Directors on Board of the Company, KMPs and SMPs.

3. Definitions

“**Nomination and Remuneration Committee**” means Committee of Board of Directors of the Company constituted under provisions of Companies Act, 2013.

“**Board**” means Board of Directors of the Company

“**ED**” means Executive Director of the Company.

“**HR Head**” means person heading the Human Resource Department of the Company.

“**Key Managerial Personnel**” means key managerial personnel as defined under the Companies Act, 2013 and includes

- (i) Managing Director (“MD”), or Chief Executive Officer or manager and in their absence, a whole-time director;
- (ii) Company Secretary; and
- (iii) Chief Financial Officer

“**Senior Management Personnel**” (**SMP**) means personnel of the Company who are members of its core management team, excluding Board of Directors comprising all members of the management one level below the “Chief Executive Officer/ Managing Director/ Whole-time Director/ Manager (including Chief Executive Officer and Manager, in case they are not part of the Board) including the functional heads.

“**Policy**” means KMPs Appointment and Remuneration Policy.

“**CMD**” means the Chairperson and Managing Director or Chairperson (Executive / Non-Executive) of the Company.

“**Company**” means Religare Broking Limited.

“**MD**” means the Managing Director of the Company.

“**CEO**” means the Chief Executive Officer of the Company.

“**Total Compensation**” means fixed and variable pay.

“**Malus**” means an arrangement which 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.

“**Clawback**” means a 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.

“**Retention period**” means a period of time after the vesting of instruments which have been awarded as variable pay during which they cannot be sold or accessed.

4. Policy

4.1 The authority to identify right candidates for appointment of KMPs/SMPs is vested with the MD/CEO / CMD/ED. The MD/CEO / CMD/ED along with HR Head will identify candidates internally or externally.

Further, for position of KMPs and SMPs ,HR Head will propose the identified candidates to Nomination and Remuneration Committee (“NRC”) for its approval/ recommendation to the Board for appointment along with proposed remuneration. The remuneration will be proposed in consistent with the strategy of the company and in line with the comparable market & internal remuneration benchmarks.

4.2 In case of CEO / CMD/MD/ED appointment & remuneration, NRC along at its sole discretion, either through HR Head or through external consultant will initiate the process of identifying the new CEO / CMD/ED/MD. After identification of the candidate, NRC will propose the candidature to Board for their approval of appointment.

4.3 NRC will scrutinize the applicants, may take independent/discreet references, whenever necessary, well in time and then approve the appointment of KMPs/SMPs.

4.4 KMPs may hold the positions of KMPs in any subsidiary of the company in accordance with compliance of applicable laws.

4.5 NRC needs to ensure that the position of any KMPs should not be vacant for more than 180 days.

4.6 NRC shall approve all remuneration, in whatever form, payable to KMPs & SMPs and recommend the same to the Board for approval.

4.7 The NRC will also recommend the termination of KMPs to the Board for further action.

5. Principles of compensation

5.1 Compensation and Risk alignment: KMPs and SMPs remuneration needs to be reasonable, recognizing all relevant factors including adherence to statutory requirements and industry practices. The compensation packages may comprise of 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.

Broadly the components of Fixed and Variable Pay may be as follows: -

5.2 Composition of Fixed Pay:

All the fixed items of compensation, including the perquisites and contributions towards superannuation/retiral benefits, may be treated as part of fixed pay.

Components of Fixed pay:

- a) Salary
- b) Allowances: like House Rent Allowance, Education Allowance, Additional allowance, leave travel allowance, food vouchers etc.
- c) All perquisites that are reimbursable shall also be included in the fixed pay so long as there are applicable monetary ceilings on these reimbursements.
- d) Perquisites: All perquisites that are reimbursable shall also be included in the fixed pay so long as there are applicable monetary ceilings on these reimbursements.
- e) Monetary equivalent of benefits of non-monetary nature (such as furnished house, use of company car, etc.) may also shall be part of fixed pay.
- f) Retirement benefits (gratuity, provident fund, employee pension scheme of EPFO, NPS, etc.).

5.3 Composition of Variable Pay:

Components of Variable pay may be in the form of:

- a) Share-linked instruments like ESOP etc.,
- b) Performance Bonus
- c) Or a mix of cash (Performance bonus) and share-linked instruments like ESOPS in conformity with relevant statutory provisions.

5.4 Control and Assurance Function Personnel:

KMPs and SMPs engaged in financial control, risk management, compliance and internal audit may be compensated in a manner that is independent of the business areas they oversee and commensurate with their key role in the Company. Accordingly, such personnel shall have higher proportion of fixed compensation. However, a reasonable proportion of compensation shall be in the form of variable pay, so that exercising the options of Malus and/or Clawback, when warranted, is not rendered infructuous.

6. Malus and Clawback:

In keeping with the emerging best practices in the corporate governance, the Board may take actions on recommendation of the NRC to invoke Malus or Clawback the variable pay, as the case may be, where there is reasonable evidence that KMPs/ SMPs has materially contributed to, or been materially responsible for the following :-

Invocation of Malus:

- a) In the event of subdued or negative financial performance of the Company and/or the relevant line of business which is directly attributable to the role of the KMPs/ SMPs;
- b) Key performance indicators as set by the Company for individual KMPs and SMPs are not achieved for the respective financial year;

Invocation of Malus and Clawback:

- a) Personally acting fraudulently or dishonestly or in a manner that adversely affects the Company's reputation or which is characterized as gross misconduct;
- b) Directing an employee, contractor or advisor to act fraudulently, dishonestly or to undertake other misconduct;
- c) Breaching their material obligations towards the Company through error, omission or negligence.

The Board, on recommendation of the NRC, may on occurrence of any of the aforesaid event(s) decide to invoke Malus or Clawback for a specified period during which Malus and/or Clawback can be applied. While taking the decision related to Malus and/or Clawback as mentioned above, the Board will consider whether the application of the provisions may result in unintended consequences, prejudice the interests of the Company in any related proceeding or investigation, or any pending legal proceedings related to fraud or intentional illegal conduct etc. In case of revision in remuneration of KMPs and SMPs post their appointment, the proposed revision is to be placed before the NRC for its ratification/ approval, as the case may be. The remuneration proposed will be consistent with the guidelines as stated above.

This Policy may be reviewed on regular basis to ensure its relevance to the prevailing business/regulatory requirements or as may be necessary.
