

# REMUNERATION POLICY

---

Svamaan Financial Services Private Limited

| Document Details |            |
|------------------|------------|
| Version          | 2.0        |
| Date             | 22/05/2025 |

## Table of Contents

|    |                               |   |
|----|-------------------------------|---|
| 1. | OBJECTIVE .....               | 3 |
| 2. | SCOPE .....                   | 3 |
| 3. | APPLICABILITY .....           | 3 |
| 4. | DEFINITIONS .....             | 4 |
| 5. | REMUNERATION GUIDELINES ..... | 4 |
| 6. | AUTHORIZATION SCHEDULE .....  | 8 |
| 7. | REVIEW.....                   | 8 |

## 1. OBJECTIVE

Svamaan Financial Services Private Limited (“SFSPL / Company”) remuneration practices are based on meritocracy and fairness. The Company’s pay system is designed to attract, retain and motivate employees to meet our strategic goals, even in a competitive environment. SDSPL use a pay-for-performance model to ensure fairness and market competitiveness, within the constraints of our business model and budget.

The Company’s compensation practices have always been guided by the Board of Directors / Nomination and Remuneration Committee (NRC). The Company focus on strong compensation governance and compliance with applicable regulatory guidelines. The Remuneration Policy (“Policy”) governs compensation for Director, Key Managerial Personnel, Senior Management and all other employees of the Company.

This Policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 (“Act”) and RBI circular on Compensation of Senior Management and Key Managerial Personnel (KMP), dated 29 April 2022. In case of any conflict between this policy and the applicable law, the provisions of the law shall prevail.

## 2. SCOPE

This Policy applies to:

- Executive Directors, KMPs and Senior Management
- Non-Executive Directors and Independent Directors
- All other employees of the Company

## 3. APPLICABILITY

This Policy seeks to:

- Link compensation to individual performance and align it with the Company’s corporate goals.
- Attract, retain and reward employees to help the Company achieve its strategic objectives amid a competitive environment.
- Promote a meritocratic culture and reward high performance.
- Balance Fixed, Variable and Long-Term Pay to reflect role value and responsibilities and encourage desired behaviour and long-term actions.
- Ensure the policy supports effective risk management and adheres to compliance and governance standards.
- Ensure fair rewards, following best governance practices.
- Align compensation structure and decisions with stakeholder interests and regulatory requirements.

## 4. DEFINITIONS

1. **“Board of Directors” or “Board”** means Board of Directors of the Company.
2. **“Independent Director”** means a director referred to in Section 149(6) of the Companies Act, 2013.
3. **“Key Managerial Personnel”** means
  - i. the Chief Executive Officer or the Managing Director or the Manager;
  - ii. the Company Secretary;
  - iii. the Whole-Time Director;
  - iv. the Chief Financial Officer; and
  - v. such other officer, not more than one level below the directors who is in whole time employment, designated as key managerial personnel by the Board.
4. **“Policy or “This Policy”** means Remuneration Policy;
5. **“Senior Management”** shall mean the officers and personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Directors, including the functional heads.

## 5. REMUNERATION GUIDELINES

### PART A – REMUNERATION GUIDELINES FOR EXECUTIVE DIRECTORS, KMPS AND SENIOR MANAGEMENT

#### 5.1 Remuneration

##### A) Fixed Pay

The fixed compensation for Executive Directors, KMPs and Senior Management will be reasonable, considering regulatory requirements and industry standards.

Fixed Pay includes:

- i) Monthly fixed salary:
  - Basic Salary
  - All cash allowances
  - Other allowances and perquisites as determined by the Company
- ii) Retirement benefits as per the Company's policy
- iii) Perquisites as per the Company's policy

## B) Variable Pay

Variable pay for Executive Directors, KMPs and Senior Management includes:

- i) Cash
- ii) ESOPs (Employee Stock Options) granted under Company's Policy

The proportion of variable pay relative to total pay increases with higher levels of responsibility, following these principles:

- i) It should match the role and risk profile of the employee.
- ii) Variable pay should be genuinely variable and can be reduced to zero based on performance of individual, business-unit and company levels.
- iii) Performance metrics and their impact on remuneration should be clearly defined at the start of the performance period to ensure transparency.
- iv) When variable pay includes share-linked instruments, there should be a proper balance between cash and share-linked components.

## C) Other Terms

- i) **Deferral of Variable Pay:** Variable pay may be deferred based on recommendations by the NRC and approval by the Board. Not all variable pay awarded after performance assessments needs to be paid immediately; a portion may be deferred to align with risk time horizons.
- ii) **Guaranteed Bonus:** Executive Directors, KMPs and Senior Management are not eligible for guaranteed bonuses. However, a joining or sign-on bonus may be offered to new hires. This bonus will not be counted as part of fixed or variable pay.
- iii) **Total Compensation:** Total compensation includes both fixed and variable pay.
- iv) **Retiral benefits:** As per the Company's policy.
- v) **Sitting Fees:** Whole Time Directors of the Company will not receive sitting fees for attending Board or Committee meetings.
- vi) **Deferral Period:** The deferral period for variable pay shall be at the discretion of NRC of the Company. If an employee separates due to death, permanent incapacity or retirement, all deferred pay will be immediately vested to the employee or their successors, as the case may be. In case of resignation, the quantum of unvested options under the Employee Stock Options Scheme / Plan, will be lapsed.

## D) Remuneration Guidelines for Risk, Control and Assurance Functions

To ensure effective risk management and control, Executive Directors, KMPs and Senior Management involved in financial control, risk management, compliance and internal audit will be compensated independently of the business areas they manage. Their compensation will be weighted in favour of fixed pay over variable pay, in line with the Guidelines. However, a reasonable portion of their pay may be variable to allow for the effective application of malus or clawback provisions when necessary.

## 5.2 Malus / Clawback

### A) Definition

A malus arrangement allows the Company to stop the vesting of some or all deferred remuneration, but it does not reverse vesting that has already occurred. Clawback is an agreement where the employee agrees to return previously paid or vested remuneration to the Company under specific conditions.

### B) Scope

As per the Guidelines, Malus and Clawback arrangements apply only to Executive Directors, KMPs and Senior Management.

#### i) Framework for Applying Malus/ Clawback Clauses

Framework and implementation process for applying Malus/Clawback Clauses will be determined by NRC/Board.

#### ii) Process

To ensure fair treatment, any inquiries or investigations required by this Policy, NRC will follow due process and adhere to principles of natural justice before making any final decisions about breaches. A mistake in judgment will not be considered a breach under this policy. NRC may conduct an investigation on its own or set up a separate committee for the same.

#### iii) Applicability

NRC will recommend to the Board whether to apply malus and/or clawback but the final decision to apply these measures must be approved by the Board.

#### iv) Effective Period

The malus and clawback clauses shall apply to Executive Directors, KMPs and Senior Management while they are actively employed by the Company and after they leave the Company. This includes situations where the individual has separated from the Company due to:

- Resignation
- Discharge or dismissal
- Retirement or early retirement
- Authorized long leave or sabbatical
- Transfer to a group company
- Termination of employment for other reasons

#### v) Others

If a clawback is enforced, the employee must return any previously received variable pay to the Company, considering any relevant regulatory or statutory requirements.

## **PART B - REMUNERATION GUIDELINES FOR NON-EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS**

1. Non-Executive Directors and Independent Directors are eligible to receive sitting fees for attending Board and Committee meetings, as approved by the Board of Directors and within the limits set by Rule 4 of the Companies (Appointment & Remuneration) Rules, 2014, and any subsequent amendments.
2. Independent Directors are not eligible to receive stock options.
3. Non-Executive and Independent Directors are entitled to reimbursement for expenses incurred while attending Board and Committee meetings and for other expenses incurred in the performance of their duties for the Company.

## **PART C - REMUNERATION GUIDELINES FOR OTHER EMPLOYEES**

### **1. Fixed Pay**

The fixed compensation of employees of the Company will be reasonable, considering regulatory requirements and industry standards.

Fixed Pay includes:

- i) Monthly fixed salary:
  - Basic Salary
  - All cash allowances
  - Other allowances and perquisites as determined by the Company
- ii) Retirement benefits as per the Company's policy
- iii) Perquisites as per the Company's policy

### **2. Variable Pay**

Variable pay for other employees includes:

- i) Cash
- ii) ESOPs (Employee Stock Options) granted under Company's Policy

### **3. Sales incentives**

- i) Employees in designated sales or relationship management roles may participate in sales incentive schemes based on their individual and business performance. Sales incentives may be withheld or reclaimed in the event of compliance or disciplinary issues.
- ii) Employees enrolled in the sales incentive scheme will not be eligible for variable pay during the period covered by the scheme.

## **6. AUTHORIZATION SCHEDULE**

CEO and the Head of Human Resources of the Company are responsible for implementing the compensation strategy, practices and plan including both fixed and variable pay in accordance with the remuneration policy of the Company.

## **7. REVIEW**

NRC shall, as and when required, review this Policy and recommend any amendments to the Board for its approval. The Policy shall be effective from the date of its adoption by the Board.

**XXXXX**