



# **REMUNERATION POLICY**



**IFL FINANCE LIMITED**

*(Formerly known as IFL Housing Finance Limited)*

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## **REMUNERATION POLICY**

### **Scope:**

This Policy covers the remuneration and other terms of employment for the Company's Executive Team and is applicable to all the branches and offices of the Company. The remuneration policy for members of the Board and for Management aims at improving the performance and enhancing the value of the Company by motivating and retaining them and to attract the right persons to the right jobs in the Company.

### **1. The Objective:**

The object of this Remuneration Policy is to create a working environment that motivates high performance so that all employees can positively contribute to the strategy, vision, goals and values of the group.

In order to achieve this, it is imperative that the Company is in a position to offer competitive remuneration in all operational locations. Remuneration of executives and other key employees shall take into consideration the remuneration of other employees of the Company and thereby aim to secure coordinated and fair Remuneration Policy for the Company.

### **2. Nomination and Remuneration Committee:**

The Board of Directors appoints a Nomination and Remuneration Committee which shall consist of three members of the Board of Directors. The Committee shall work in accordance with a special mandate of the Board. The Nomination and Remuneration Committee shall be advisory to the Board of Directors and the Managing Director regarding terms of employment for the executives of the Company and setting a Remuneration Policy. The Committee shall also supervise that the terms of employment of employees are in line with the Remuneration Policy.

Committee comprises of the following board members of the Company:

1. Mr. Devi Dass Agarwal, Non-Executive Director-Independent Director
2. Mr. Ashish Bansal, Non-Executive Director
3. Mrs. Pinki Sharma, Non-Executive Director-Independent Director

### **Remuneration of the Board of Directors:**

The Working Directors shall be paid a monthly salary, according to decision taken by the Shareholders at the General Meeting in that respect, as specified in the Companies Act, 2013. The Board of Directors shall take into account the time spent by the Board Members on their duties, their responsibilities, as well as the operational and economical performance of the Company. Additional payments may be effected to individual Board Members for specific

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projects which cannot be classified as ordinary tasks for Board Members, as well as for work in Sub-Committees of the Board, as applicable subject to necessary approvals as per the Companies Act, 2013. Payments for such tasks shall be subject to the approval by the other Board Members. The Company shall secure immunity for the Board of Directors and the KMP for all claims that can eventually be made against them, connected to their work on behalf of the Company.

### **Remuneration principles for other employees:**

The guiding principle is that the remuneration and the other terms of employment for all the Employees shall be reasonable, adequate and competitive in order to ensure that the Company could attract and retain competent Employees.

The Nomination and Remuneration Committee considers a) the financial position and profitability of the Company; b) nature and responsibility of the position; and c) remuneration packages prevailing in industry or other organisations comparable in regard to the size and complexity of operations.

The Employees' salary shall comprise of the following categories/elements: guaranteed remuneration package (fixed), variable remuneration (long-term and short-term incentives) and recognition.

The fixed remuneration is guaranteed and normally paid irrespective of the Company's performance, while the variable remuneration is not guaranteed, and directly linked to and dependent upon certain group, divisional and individual performance levels being achieved.

- I. **Guaranteed Remuneration/Package:** Guaranteed remuneration is paid monthly on a Cost to Company basis and also ensures that Company attracts and retains talented high performing people by paying a market related guaranteed package. It includes employees' total annual salary plus any non-cash fringe benefits including medical scheme contributions, as well as other benefits at the discretion of the management.
- II. **Short-Term Incentives:** The key objective is to create a performance culture by rewarding individuals/ teams for achieving strong annual results in terms of pre-determined targets.
- III. **Long-Term Incentives:** The broad purpose of the long-term incentives is to attract, motivate, retain and reward key employees who are able to influence the performance and strategic direction of the Group. Long-term incentives are aligned to multi-year targets of growth and long-term value creation.

### **3. Fair and responsible remuneration**

IFLFL is committed to fair and responsible remuneration across the company.

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- Any possible remuneration disparities related to race, gender, etc., will be identified. Any confirmed remuneration disparities will be investigated and addressed as soon as is practical /possible.
- Any unjustifiable differences in the terms and conditions of employment, including remuneration will be identified. Unjustifiable differences in pay and conditions of employment between employees at the same level will be addressed in accordance with the “Equal Pay for Work of Equal Value” philosophy/principles.
- IFLFL believes its people plan/initiatives are critical in addressing remuneration disparities. This plan includes career mapping for employees across the company; development of employees; various training courses and an extensive employee value proposition which amongst other provide for enabling/empowering work environment, a culture conducive to personal growth/opportunities.

#### **4. Remuneration Review**

A review of remuneration is conducted annually and any resultant increase is effective from the date of joining of an employee. Typically, a variety of factors, such as CPI, affordability, budgets, market movements/ trends, competitor remuneration, scarcity of skills, etc. is considered by the Company, in order to approve a mandate for the company.

**"The Remuneration Policy have been duly approved by the Board of Directors at its meeting held on 06<sup>th</sup> April, 2026."**

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