

REMUNERATION POLICY

1. Preamble

1. The Nomination and Remuneration Committee (NRC) of Piramal Finance Private Limited (the “Company”), has adopted the following policy and procedures with regard to remuneration of Directors, Key Managerial Personnel and other employees.
2. The Remuneration Policy (‘Policy’) is framed in compliance with the applicable provisions of Section 178 and other applicable provisions of the Companies Act, 2013.
3. This Policy reflects the Company’s core values viz. Knowledge, Action and Care.

2. Framework

- 2.1 The remuneration of Directors and Key Managerial Personnel will be determined by the NRC and will then be recommended to the Board for approval.

3. Designing of Remuneration Packages

- 3.1. While designing remuneration packages, the following factors are taken into consideration:
 - a. Ability to attract, motivate and retain the best talent in the industries in which the Company operates;
 - b. Current industry practices;
 - c. Cost of living;
 - d. Balance between fixed and performance linked variable pay;
 - e. Achievement of Key Result Areas (KRAs) of the employee, the concerned department / function and of the Company.

4. Remuneration to Directors

A. Independent Directors:

The Independent directors are entitled to the following:

- i. Sitting Fees: The Independent Director receive remuneration in the form of sitting fees for attending meetings of Board or Committee thereof of the Company and its subsidiaries where such Director may be so appointed. Provided that the amount of such fees shall not exceed such amount per meeting as may be prescribed by the Central Government from time to time.

- ii. Fees for rendering professional services: Any director who renders services of a professional nature to the Company, may receive payment for such services rendered from the Company, subject to compliance with applicable regulatory requirements.
- iii. Commission: The Board may at its discretion pay commission within the monetary limit approved by shareholders subject to compliance with applicable regulatory requirements.

B. Remuneration to Managing Director and /or Whole – Time Directors

- i. The remuneration to be paid to the Managing Director and / or Whole – Time Directors, when applicable, shall be in compliance with the applicable regulatory requirements, including such requisite approvals as required by law.
- ii. Increments may be recommended by the Committee to the Board which shall be within applicable regulatory limits.
- iii. The Board may at the recommendation of the NRC and its discretion, consider the payment of such additional remuneration within the framework of applicable laws and regulatory requirements.

5. Remuneration to Key Managerial Personnel and Senior Management

Remuneration to Key Managerial Personnel and other Senior Management shall be as per the HR Policy of the Company in force from time to time and in compliance with applicable regulatory requirements. Total remuneration comprises of:

- i. A fixed Basic Salary;
- ii. Perquisites as per Company Policy;
- iii. Retirement benefits as per Company Rules and statutory requirements;
- iv. Performance linked incentive bonus (on an annual basis) based on the achievement of pre-set KRAs.

6. Remuneration to Other Employees

The remuneration packages of other employees are also formulated in accordance with HR Policy of the Company in force from time to time. In addition to fixed pay and variable performance pay forming part of overall salary package, employees are also provided with perquisites and retirement benefits as per the HR Policy of the Company and statutory requirements, where applicable.

7. Disclosure

As per existing Applicable Regulatory Requirements, the Remuneration Policy shall be disclosed in the Board's Report.

8. Review

The NRC shall periodically (at least on an annual basis) review the effectiveness of this Policy and recommend any revisions that may be required to this Policy to the Board for consideration and approval.
