

# REMUNERATION POLICY FOR THE DIRECTORS, SENIOR MANAGEMENT AND OTHER EMPLOYEES

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## 1. Preamble

- This Remuneration Policy (the “**Policy**”) has been formulated by HDFC Capital Advisors Limited (the “**Company**”) in compliance with Section 178 of the Companies Act, 2013, read with applicable rules made thereunder (“**Companies Act**”).
- The main objective of this Policy is to provide a framework for the remuneration of the directors, members of senior management and other employees of the Company.
- The primary objectives of the Policy are as under:
  - a) To ensure that the level and composition of remuneration is in line with other companies in the industry, sufficient to attract and retain right talent, at all levels and keep them motivated enough to meet the organisational objectives;
  - b) To ensure that a reasonable balance is maintained in terms of composition of remuneration (fixed and variable component); and
  - c) To have performance measurement parameters in place to assess the overall performance of the directors, members of senior management and other employees.
- Based on the above objectives and broad parameters set out herein, the board of directors of the Company (“**Board**”) at its meeting held on July 27, 2023, have approved this Policy on recommendation of the nomination and remuneration committee (the “**NRC**”) of the Company.

## 2. Applicability

- This Policy shall be applicable and act as a guiding principle with regard to remuneration payable by the Company to all directors, senior management and other employees of the Company.

## 3. Remuneration of Non-executive/ Independent Directors

- The non-executive/ independent directors will be paid sitting fees for attending the meetings of the Board and committees thereof, and such other remuneration subject to the overall limit as prescribed under Companies Act and pursuant to the approval of the NRC, Board and / or shareholders, as may be applicable from time to time.

## 4. Remuneration of Senior Management and other employees

- The key components of the remuneration package of the senior management members and other employees of the Company shall *inter alia* comprise of the basic salary, dearness allowance, house rent allowance, transport allowance, ex- gratia, performance bonus, contributions in the nature of provident fund/employee state insurance (as may be applicable) and superannuation fund, premium on medical insurance, life insurance and personal accident insurance, child scholarship, gratuity, leave travel allowance, leave encashment, housing/ other loans at concessional rate, education loans and other such short to medium term loans to employees on need basis, etc., as applicable. They may also be eligible for employee stock options and existing Long Term Compensation Plan for retention of employees as per the existing schemes, from time to time. All such employee benefit schemes/ plans post the date of adoption of this Policy, shall be approved by the NRC.

- The remuneration, performance appraisal and rewards to senior management and other employees, shall be in line with the stated objectives.
- The annual increments if any, for the senior management members and other employees shall be linked to their overall performance and that of the Company and will be proposed by the CEO, to NRC, in consultation with the employees' reporting functional head(s) and human resources department, as applicable. It is clarified that annual increments will not be awarded as a matter of right each year.
- Employees must conduct themselves to ensure that no breach of the Code of Conduct and all other relevant and applicable code(s) is committed. Any such breach will have a direct bearing on their performance appraisal and rewards and shall also attract appropriate disciplinary action (as necessary).

## **5. Disclosures in the Board's Report**

- The disclosures as required under the relevant provisions of the Companies Act shall be made in the Board's report with regard to the remuneration details of the directors, senior management members and other employees.
- The salient features of the Policy and changes therein, if any, along with the web address of the Policy shall be disclosed in the Board's report.

## **6. Disclosure on the Website**

- This Policy shall be placed and made available on the website of the Company i.e. <https://www.hdfccapital.com/>

## **7. Policy Review**

- This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Companies Act, the memorandum of association and articles of association of the Company or as may be otherwise prescribed by the Board from time to time.
- The NRC may issue/implement such guidelines, procedures, formats and/or reporting mechanism to enforce this Policy as it may deem fit.

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