

**POLICY ON APPOINTMENT AND REMUNERATION FOR DIRECTORS, KEY
MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT EMPLOYEES**
(“COMPENSATION POLICY”)

1. Introduction

- 1.1 Authum Investment & Infrastructure Limited considers human resources as its invaluable assets. This policy aims to harmonise the aspirations of the directors/ employees with the goals of the Company.
- 1.2 Human capital is a strategic source of value creation. As part of our progressive HR philosophy, it is necessary to have in place a comprehensive Compensation Policy, which is in line with the industry trend and is employee friendly.
- 1.3 This Policy is framed under the provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and RBI guidelines on Compensation of Key Managerial Personnel (‘KMP’) and Senior Management in NBFCs, including any statutory modifications issued from time to time.

2. Objectives

- 2.1 Ensuring that the quantum and composition of remuneration is reasonable and sufficient to attract, retain and motivate, employees to run the Company successfully.
- 2.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- 2.3 Ensure that annual compensation review considers industry/ business outlook and strategies adopted by industry peers, differentiates employees based on their performance/skill sets and also protects employees, particularly those in junior cadre, against inflationary pressures.
- 2.4 Retention of high performers at all levels and those playing critical roles.

3. Definitions

- 3.1 “Act” means Companies Act, 2013
- 3.2 “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.
- 3.3 “Director” means a director appointed to the Board of the Company.
- 3.4 “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 as may be prescribed under the Companies Act, 2013.

- 3.5 “Malus arrangement” means an arrangement that permits the Company to prevent vesting of all or part of the amount of a deferred remuneration. Further Malus arrangement does not reverse vesting after it has already occurred.
- 3.6 3.3 “SEBI (LODR)” means SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015
- 3.7 “Senior Management” means the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer..

4. Nomination and Remuneration Committee (NRC)

The Board has constituted the “Nomination and Remuneration Committee” in line with the requirements under the provisions of the Companies Act, 2013 and SEBI (LODR). The NRC shall have the constitution, powers, functions and duties as laid down in section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR). The NRC, *inter alia*, shall also have the mandate to oversee the framing, review and implementation of compensation policy of the company which should have the approval of the board. This Policy sets out the broad guiding principles for the Committee for recommending to the Board the appointment and remuneration of the directors, key managerial personnel and senior managerial personnel of the Company.

5. Policy

5.1 Appointment of Directors / Key Managerial / Senior Management personnel

The Nomination and Remuneration Committee, *inter-alia*, considers qualifications, positive attributes, areas of expertise and number of Directorships and Memberships held in various committees of other companies by such persons for selection. The Board considers the recommendation of the Committee and takes appropriate decisions. The Company also considers the requirement of skills and effectiveness of persons contributing to the Company’s business and policy decisions.

5.2 Remuneration to Directors / Key Managerial Personnel

- 5.2.1 The remuneration of the Directors/ Managing Directors/ Whole-time Directors and Managers, etc. will be governed as per provisions contained in the Companies Act, 2013 and Rules made therein from time to time.
- 5.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof as approved by the Board of Directors from time to time. The Non-Executive Directors shall also be entitled to profit related Commission, if approved by the Board, in addition to the sitting fees.
- 5.2.3 The Board, on the recommendation of the Nomination and Remuneration Committee, shall review and approve the remuneration payable to the Directors/ Key Managerial

Personnel/ Senior Management Personnel of the Company within the overall limits, if any, approved by the shareholders.

5.2.4 The remuneration structure shall include the following components:

- (i) Fixed Pay (consists of basic pay, choice pay components and retirals)
- (ii) Stock Options, if any.
- (iii) Commission (Applicable for Directors)
- (iv) Performance Linked Incentives / Variable Pay

5.2.5 The Annual Plan, Objectives and financial results of the Company shall be reviewed by the Nomination and Remuneration Committee and performance incentives, increment, revision in remuneration, etc. will be proposed based on the achievements.

5.3 Remuneration to other employees

Employees shall be assigned grades/bands according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade/ bands and shall be based on various factors such as job profile, skill sets, seniority, experience, performance and prevailing remuneration levels for equivalent jobs.

6. Malus / Clawback

The deferred compensation may be subject to malus/clawback arrangements in the event of subdued or negative financial performance of the company and/or the relevant line of business or employee misconduct in any year. Nomination & Remuneration Committee (“NRC”) may identify situations, which require them to invoke the malus and clawback clauses that may be applicable on entire variable pay. While setting criteria for the application of malus and clawback, NRC may also specify a period during which malus and/or clawback can be applied, covering at least the deferral and retention periods.

7. Retention Features as part of Compensation Package

Based on the organizational need for retaining performing employees and those in critical roles, certain retention features may be rolled out as part of the overall compensation package. These may take form of Retention Bonuses (RBs), Special Monetary Programs (SMPs), Long-term Incentives (LTIs), Employee Stock Options, etc.

8. Review of Policy:

The Nomination & Remuneration Committee and the Board shall review this policy once in every two years.

9. Modification, Amendment and Alteration:

The policy is subject to modification, amendment and alterations by the Board of Directors as per the recommendations received from Nomination & Remuneration Committee.
