ARYADHAN FINANCIAL SOLUTIONS PRIVATE LIMITED

NOMINATION AND REMUNERATION POLICY

Version No.	Approved Date	Policy Owner	Approved By
1.0	November 11, 2025	Secretarial & Compliance Department	Board of Directors
1.1	November 23, 2026	Secretarial & Compliance Department	Board of Directors

Aryadhan Financial Solutions Pvt. Ltd.
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1. PREAMBLE

This Nomination and Remuneration Policy ("Policy") has been formulated pursuant to the provisions of Section 178 of the Companies Act, 2013 ("Companies Act" or "Act") read with the applicable rules thereto, Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions 2025, as amended from time to time (hereinafter referred to as "Law"), and approved by the Board of Directors of Aryadhan Financial Solutions Private Limited ("Company") (hereinafter referred to as "Board").

The Policy further encapsulated the requirement of formulating and governing the compensation of Key Managerial Personnel (KMP) and members of Senior Management Personnel (SMP).

2. OBJECTIVE

The objective of this Policy is to provide a consistent framework to the Nomination and Remuneration Committee to perform its functions in compliance with the Law pertaining to the appointment of, remuneration payable to and removal of, directors, key managerial personnel senior management personnel and other employees and make appropriate recommendations to the Board.

3. APPLICABILITY

This Policy shall be applicable to all Directors, Key Managerial Personnel, Senior Management Personnel and other employees.

4. CLARIFICATIONS, AMENDMENTS AND UPDATES

This Policy shall be implemented as per the provisions of the Applicable Law. Any amendments in the Applicable Law, including any clarification/ circulars of relevant regulator, shall be read into this Policy such that the Policy shall automatically reflect the contemporaneous Applicable Law at the time of its implementation.

All words and expressions used herein, unless defined herein, shall have the same meaning respectively ascribed to them, in the Applicable Law under reference, that is to say, the Companies Act, 2013 and Rules framed thereunder, as amended, from time to time.

5. INTERPRETATION CLAUSES

For the purposes of this Policy references to the following shall be construed as:

"Act"	:	means the Companies Act, 2013 as may be amended from time to time;
"Applicable Law"	:	includes any statute, law, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy,

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		requirement, notifications and clarifications or other governmental instruction and/or mandatory standards as may be applicable to the Company from time to time;
"Board"	:	means the Board of directors of the Company;
"Company"	:	refers to Aryadhan Financial Solutions Private Limited ("the Company");
"Clawback"	:	As per RBI circular on 'Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs' A clawback is 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.
"Executives"	:	refers to the Directors, Key Managerial Personnel and Senior management personnel;
"Key Managerial personnel" or **"KMP"**	:	refers to- -Managing Director, Manager, Chief Executive -Officer, Whole time Director; -Chief Financial Officer; -Company Secretary; -Officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board of Directors of the Company or such officer appointed/designated by board as per the Articles of Association of the Company; and -Officer(s) as may be prescribed under Applicable Law;
"Malus arrangement"	:	As per RBI circular on 'Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs,' - A malus arrangement permits the Company to prevent vesting of all or part of the amount of a deferred remuneration.
"Nomination and Remuneration Committee" or **"NRC"** or **"Committee"**	:	means the committee constituted by the Board of Directors
"Policy" or **"this Policy"**	:	means the contents herein including any amendments made by the Board of the Company;

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"Retention Period"	:	As per RBI circular on 'Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs' - Means a period of time after the vesting of instruments which have been awarded as variable pay during which they cannot be sold or accessed.
"Senior ma nagement personnel" or **"SMP"**	:	means the Chief Risk Officer, Chief Technology Officer, Chief Business Officer, Chief Compliance Officer, Chief Human Resources Officer, Chief Sustainability Officer and Chief Information Security Officer.

6. COMPOSITION, SCOPE, AND MANNER OF CONDUCTING THE MEETINGS OF THE NOMINATION AND REMUNERATION COMMITTEE

6.1 **Authority**

The Nomination and Remuneration Committee is constituted by, and accountable to, the Board of Directors of Aryadhan Financial Solutions Private Limited (the "Company"). The NRC is authorized to seek any information it requires from any employee of the Company in order to perform its duties.

The NRC is authorized to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

6.2 **Composition**

The Committee shall consist of minimum of three directors.

The Chairperson of the NRC shall be a Non-Executive director. The Chairperson of the Company may be appointed as a member of the NRC but shall not chair the NRC. In case the Chairman of the NRC is absent, the members present in the meeting will elect a Chairman for that meeting.

The Head of Human Resources shall be a permanent invitee and other management official may attend as invitees in the meetings of the NRC, as and when deemed appropriate by the NRC.

The Company Secretary of the Company shall be the Secretary of the NRC (the "Secretary").

In the event a member of the NRC retires or is removed or resigns from the Board or the services of the Company, he/she shall also cease to be a member of the NRC.

6.3 **Meetings**

The NRC will meet as frequently as required subject to a minimum of one meeting in a Financial Year.

Any NRC member or the Secretary upon the direction of a member of the NRC may call a meeting of

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the NRC.

A notice of each meeting confirming the date, time, venue and agenda shall be forwarded to each member of the NRC by the Secretary.

6.4 **Quorum & Voting**

The quorum for the NRC meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.

All decisions at the NRC will be decided by a majority of votes cast by NRC members present and voting.

Each member shall have one vote. In case of equality of votes, the matter shall be placed before the Board members for their consideration and approval.

6.5 **Scope**

The broad scope of the NRC is two-fold:

- **Nomination Function**
  - Regularly review the structure, size and composition of the Board, which includes Board diversity, evaluate the balance of skills, knowledge and experience on the that are deemed necessary.
  - Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
  - Be responsible for identifying and nominating for the approval of the Board, persons who are qualified to become Directors and who are "fit for purpose" as per RBI guidelines and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
  - Ensure that the proposed and existing Directors meet the 'fit and proper' criteria as prescribed by the RBI.
  - Ensure that there is no conflict of interest in appointment of Directors on Board of the Company, KMPs and Senior Management.
  - Carry out an evaluation of the Directors' performance, if required.
- **Remuneration/ Compensation Functions:**
  - Oversee the framing, review and implementation of this Policy as approved by the Board.
  - Determine and recommend to the Board, the remuneration payable to the directors of

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the Company.

- Work in close coordination with the Risk Management Committee (RMC) of the Company to achieve effective alignment between compensation and risks.
- Ensure that compensation levels are supported by the need to retain earnings of the Company and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP)
- Review and recommend the compensation for the Key Managerial Personnel, and each of the Senior Management Personnel, which will be further approved/ ratified by the Board of the Company.
- Review deployment of key Human Capital strategies and tools specifically in the area of talent acquisition, employee engagement and development and succession planning.

- **Others**:

  Carry out such other functions as may be delegated by the Board from time to time, or as may be necessary or appropriate for the performance of its duties or mandatory by any statutory notification, amendment or modification.

7. GUIDING PRINCIPLES FOR REMUNERATION AND OTHER TERMS OF EMPLOYMENT

7.1 Support for Strategic Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, and supports and reinforces the achievement of the Company's vision and strategy.

7.2 Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.

7.3 Internal equity: The Company shall remunerate the Executives in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.

7.4 External equity: The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore, the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.

7.5 Flexibility: Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other relevant laws.

7.6 Performance-Driven Remuneration: The Company shall establish a culture of merit driven remuneration through the implementation of the Performance based Pay System.

7.7 Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a

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sustainable basis.

8. CRITERIA FOR DETERMINING QUALIFICATIONS AND POSITIVE ATTRIBUTES OF A DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

8.1 Non-Executive Directors/Independent Directors

- The Director shall possess appropriate expertise, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or such other areas related to the Company's business as determined by Nomination and Remuneration Committee.

- The Director shall also possess core skills/expertise/competencies as identified by the Board of Directors;

- The person to be appointed as a Director shall comply with the requirements of subsection (4) of section 152 of the Act and shall not have been disqualified from appointment as provided in section 164 of the Act.

- Furthermore, the person should be fit and proper to be appointed as a director of the Company in terms of applicable RBI Master Direction, as amended from time to time.

- A person to be appointed as an independent director shall be qualified as an 'independent' in terms of Section 149(6) of the Companies Act and the rules made thereunder.

- The appointment shall be made in accordance with the conditions provided by the Applicable Law.

- Termination of services of director (either by removal/resignation) shall be given effect to in accordance with the provisions of the Companies Act, 2013, as applicable.

8.2 Key Managerial Personnel & Senior Management Personnel

- A whole-time KMP shall not hold office in more than one company except in its subsidiary company/Holding company at the same time;

- The appointee shall have appropriate skills, experience and knowledge as required for the concerned job position;

- The appointee shall possess attributes such as integrity, leadership qualities, decision making ability and effective communication skills;

- The appointee shall not engage in any business, relationship or activity, which might detrimentally conflict with the interest of the Company.

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- Termination of KMP (either by removal/resignation) shall be given effect to in accordance with the provisions of the Companies Act, 2013 and Articles of Association, as applicable.

- At the end of a financial year, performance of a KMP and SMP is evaluated basis individual, business/ function unit's and Company's performance. In addition, the individual is also rated on leadership demonstrated during the year.

- The compensation of KMP and SMP is periodically benchmarked with a basket of companies, including leading banks, to ensure it is in line with industry best practices and competitive for the talent that we have, and to continue to attract best in class talent to the company.

9. COMPENSATION STRUCTURE

9.1 Non-Executive Directors/Independent Directors

- Subject to approval of the Board of Directors, the Independent Directors of the Company may be paid a sitting fees for attending the meetings of the Board of Directors and its Committees or at such fees as may be approved by Board of the Directors as per Companies Act, 2013. The fees paid to the Independent Directors for attending meetings of Board of Directors shall be such as may be determined by the Board within the limit prescribed under the Companies Act, 2013.

- The Non-executive Directors may be entitled to reimbursement of actual expenses /or actual out of pocket expenses incurred for attending the meeting, provided they request reimbursement.

- The fixed remuneration or fees for attending meetings of Board of Directors and the Committees thereof (if applicable) may be modified from time to time only with the approval of the Board or any officer(s) authorized by the Board, in due compliance of the provisions of Companies Act, 2013 and amended from time to time.

- An Independent Director shall not be entitled to any stock option and may receive remuneration only by way of sitting fees and reimbursement of expenses for participation in meetings of the Board or Committee thereof.

9.2 Executive Directors and Key Managerial Personnel (KMPs)

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial

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Personnel (KMPs) and Senior Management Personnel (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the Company as well as industry standards. The remuneration determined for MD/WTDs shall be approved by the Board of Directors at a meeting which shall be subject to the approval of members at the next general meeting of the Company as per the provisions of the Companies Act, 2013 (if applicable). As per the Policy, the Executive Directors are not paid any fees for attending the Board and/or Committee meetings.

- The remuneration (including revision) of KMPs (excluding Executive Directors) shall be determined by the MD/WTD and Human Resource (HR) Department after taking into consideration the academic, professional qualifications, work experience, skill, other capabilities and industry standards. The remuneration (including revision) of KMPs (excluding Executive Directors) shall also be subject to approval of the Nomination and Remuneration committee and Board of Directors/ if stipulated by articles of association, any Act, statute, regulations, etc.

- The sum total of the Fixed Cost and Variable Cost is called the Cost to Company in the relevant KMPs and SMPs compensation package.

- All the fixed items of compensation, including the perquisites and contributions towards superannuation/retiral benefits, will form part of fixed pay. All perquisites that are reimbursable will be included in the fixed pay as per the monetary ceilings applicable for such on these reimbursements. Monetary equivalent of benefits of non-monetary nature (such as free furnished house, use of company car, etc.) will form part of fixed pay.

- The Company may offer variable pay in the form of share-linked instruments, or a mix of cash and share-linked instruments. The Company will ensure that the share-linked instruments are in conformity with relevant statutory provisions.

- The Company will ensure that the proportion of variable pay in total compensation of KMPs/ Senior Management Personnel of the company is commensurate with their role and prudent risk-taking profile. The proportion of variable pay will be higher depending on the level of responsibility of the concerned KMP / Senior Management Personnel in the organisation's hierarchy. In case the variable pay contains share linked instruments, the Company will maintain a proper balance between cash payout and share-linked instruments. Further, basis the performance of the concerned individual, business unit and company wide level, the Company may reduce the variable pay to zero.

- Variable pay includes performance linked bonuses and ESOPs for eligible employees. Performance based pay / bonuses are linked to well defined Key Result Areas (KRAs) & Key Performance Indicators (KPIs) defined at the beginning of the financial year. The ESOPs granted, vest based on time.

- KMP / Senior Managements may be eligible to receive Assured/Joining Bonuses at the time of joining. Such bonuses are not considered as a part of fixed pay or variable pay.

Annual Performance Linked Bonus: Individual bonus allocation takes performance ratings and performance against various set of objectives mentioned below into consideration:

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a. In the beginning of the year, the Company sets the organization performance objectives based on qualitative and quantitative measures.

b. These objectives are reviewed periodically to ensure they remain consistent with the Company's priorities and the changing nature of the Company's business.

c. These objectives form part of the performance targets (Key Result Areas (KRAs) & Key Performance Indicators (KPIs) for the KMP / Senior Management KRAs and KPIs for employees from partner / control functions are structured based on their individual roles and objectives.

d. Performance against these objectives is reviewed annually by the Nomination & Remuneration Committee / Board and is reflected in the Performance review.

Deferral of variable pay: Not all the variable pay awarded after performance assessment may be paid immediately. Certain portion of variable pay, as decided by the Board of Directors of the Company, may be deferred to time horizon of the risks. The portion of deferral arrangement may be made applicable for both cash and non-cash components of the variable pay. Of the two components of variable pay, the approved ESOP scheme of the company follows a time based vesting schedule post the grant and thus deferral is designed in it and is in line with best practices followed in the banking industry.

Malus and Clawback: The deferred compensation mentioned above will 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. The Company shall identify a representative set of situations in their Compensation, which require them to invoke the malus and clawback clauses that may be applicable on entire variable pay along with the details of period including deferral and retention period, in which the Company may invoke the malus and clawback clauses on entire variable pay.

9.3 Remuneration to other employees

Employees shall be assigned grades 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 and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

10. DISCLOSURE, APPROVAL AND REVIEW OF POLICY

10.1 Disclosure

The policy shall be placed on the website of the Company and salient features of the policy and changes

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therein, if any, along with the web address of the policy, if any, shall be disclosed in the Board's report.

10.2 Approval and Review of the Policy

a. This Policy was approved and adopted by the Board at its meeting held on November 11, 2025 and effective immediately.

b. This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to the Applicable Law or as may be otherwise prescribed by the Nomination and Remuneration Committee/ Board from time to time.

c. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date of such amendment(s), clarification(s), circular(s) etc.

d. The custodian of this policy is Head- HR.

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