



SBI CARDS AND PAYMENT SERVICES LTD
(Formerly known as SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED)

NOMINATION & REMUNERATION POLICY

NOMINATION & REMUNERATION POLICY

(Framed under Section 178 of Companies Act, 2013, Regulation 19 read with Schedule II, Part D (A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 & RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 updated from time to time.

1. PREAMBLE

In accordance with RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 updated from time to time, all applicable NBFCs shall form a Nomination Committee to ensure 'fit and proper' status of proposed/ existing directors. The Nomination Committee constituted under this paragraph shall have the same powers, functions and duties as laid down in Section 178 of the Companies Act, 2013, Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("the Listing Regulations").

The Board had vide Circular Resolution passed on June 2, 2015 renamed the Nomination Committee as Nomination and Remuneration Committee.

2. POLICY

In compliance of Section 178 of the Companies Act 2013, Regulation 19 of the Listing Regulations and the RBI Master Direction, SBICPSL has formulated criteria/ Policy relating to the nomination of Directors and Senior Management employees and remuneration for the Directors, Key Managerial Personnel and other employees of the Company.

3. OBJECTIVE

The Key Objectives of the Policy shall be:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- Formulation of criteria for evaluation of performance of Independent Directors and the board of directors. Identify persons who are qualified to become Director and who may be appointed as Key Managerial Personnel and in senior management.

- Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- Whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors
- To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance and ;
- To formulate Policy relating to the remuneration for the directors, key managerial personnel and other employees.

4. DEFINITIONS

“Board” means Board of Directors of the Company.

“Company” means SBI Cards and Payment Services Limited.

“Director” means Director of the Company.

“Independent Director” means an independent Director referred to in Section 149(6) of the Companies Act 2013 and Regulation 16(1)(b) of the Listing Regulations.

“Key Managerial Personnel” (KMP) means Key Managerial Personnel as stated under the Companies Act 2013 i.e.

- Managing Director & CEO
- Company Secretary
- Chief Financial Officer

“Senior Management Personnel “means

officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer and functional heads.

5. Constitution

The Composition of the Nomination and Remuneration Committee of the Board shall be as stated under the Companies Act 2013 and the Listing Regulations.

6. Role of the Committee

The Role of the Nomination and Remuneration Committee shall include:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the “**Board**” or “**Board of Directors**”) a policy relating to the remuneration of the directors, key managerial personnel and other employees (“**Remuneration Policy**”);
- Formulation of criteria for evaluation of performance of independent directors and the Board and to specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance;
- Devising a policy on Board diversity;
- To establish criteria for fit and proper as per the guidelines issued by Reserve Bank of India or any other regulatory body or applicable statute, rule or regulation;
- Ensuring ‘fit and proper’ status of the proposed and existing directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- recommend to the board, all remuneration, in whatever form, payable to senior management;
- To exercise such powers as are granted under the applicable employee stock option scheme of the Company, as amended from time to time; and
- perform such other activities as may be delegated by the Board and carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or under the Master Directions or provided under the Companies Act or any other applicable law, as and when amended from time to time.”

7. Appointment/ Nomination of Directors, Key Managerial Personnel & Senior Management Personnel

(i) Appointment criteria and Qualification of Directors

The Director shall possess appropriate skills, experience and knowledge in one or more fields of Finance, Banking, Law, Management, sales, marketing, administration, research, Corporate Governance, technical operations or other disciplines related to the Company's business.

The Director shall fulfil the requirements of Company's Policy on fit and proper criteria for directors and shall be appointed and hold position in accordance with the Share Holders' Agreement between State Bank of India and CA Rover Holdings, Companies Act, 2013 and Articles of Association of the Company.

Maximum Term/ Tenure of Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a Special Resolution by the Company.

No Independent Director shall hold office for more than two consecutive terms of 5 years each, but such Independent Director shall be eligible for appointment after expiration of 3 years of ceasing to become an Independent Director.

Independence of Independent Directors

The Independent Director shall at the first meeting of the Board in which she/he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect her/his status as an Independent Director, give a declaration that he meets the criteria of independence as provided in sub-section (6) of section 149 of the Companies Act., Regulation 16(1)(b) and Regulation 25 of the Listing Regulations

(ii) Appointment criteria and qualification of KMP and persons in Senior Management

A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment, as per Company's requirements and applicable laws.

(iii) Evaluation

The Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance annually.

(iv) Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules, regulations. Otherwise, the power of removal rests with the executives of the Company as per the HR Policy.

8. Remuneration to Directors/ Key Managerial Personnel/ Senior Management Personnel & other employees

- The Directors nominated by SBI (except MD & CEO)/Investor Shareholder and who are full – time employees of SBI or Investor Shareholder will not get any Remuneration from the Company including sitting fees. MD & CEO is not entitled for sitting fees.
- The Independent and other Non – Executive Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013 and the Listing Regulations. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- Remuneration paid to KMPs, Senior Management and to other employees:
 - Managing Director/ CEO is a person on deputation from SBI. CEO's Remuneration & perquisites will be as per SBI's standard Policies and Practices.
 - Other deputees from SBI shall also be paid Remuneration & perquisites as per SBI's standard Policies and Practices.
 - Other employees, CFO and Company Secretary shall be paid Remuneration & perquisites in accordance with processes and procedures followed by the Company to determine the Remuneration & perquisites.

- Criteria of performance evaluation and payment of Performance Linked Incentive to KMPs, Senior Management Personnel and other employees shall be in accordance with Company's Policy.
- 9.** The Policy shall be reviewed annually or at earlier intervals, if necessary. Consequent upon any changes in law/rules/regulation/regulatory guidelines etc., such changes shall be deemed to be a part of the policy until the policy is reviewed and approved next time.

Notwithstanding anything contained in this Policy, in case of any contradiction of the provision of this policy with any existing legislations, rules, regulations, or laws, the provisions of such law, legislation, rules, regulation or enactment shall prevail over the Policy.

Policy Name: NOMINATION & REMUNERATION POLICY Last Approved on June 28, 2019 Policy Change Log				
Page No. Para Reference	Section Heading	Existing Provision	Revised Provision	Rationale for change
Page 1	Title Page	SBI Cards and Payment Services Pvt Ltd (SBICPSL)	SBI Cards and Payment Services Ltd (Formerly known as SBI CARDS AND PAYMENT SERVICES PRIVATE LIMITED)	Change due to conversion of the company from private to public.
Page 1	Title Page	(Framed under Section 178(2) & (3) of Companies Act, 2013 & RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 updated on May 16, 2019	(Framed under Section 178 of Companies Act, 2013, Regulation 19 read with Schedule II, Part D (A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 & RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 updated from time to time.	Change due to listing of the shares of the company.

Page 1 Para 1	PREAMBLE	In accordance with RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 updated on May 16, 2019, all applicable NBFCs shall form a Nomination Committee to ensure 'fit and proper' status of proposed/ existing directors. The Nomination Committee constituted under this paragraph shall have the same powers, functions and duties as laid down in Section 178 of the Companies Act, 2013.	In accordance with RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 updated on May 16, 2019, all applicable NBFCs shall form a Nomination Committee to ensure 'fit and proper' status of proposed/ existing directors. The Nomination Committee constituted under this paragraph shall have the same powers, functions and duties as laid down in Section 178 of the Companies Act, 2013, Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("the Listing Regulations").	Change due to listing of the shares of the company.
Page 1 Para 3	OBJECTIVE	The Key Objectives of the Policy shall be: <ul style="list-style-type: none"> Formulate the criteria for determining qualifications, positive attributes and independence of a Director. Identify persons who are qualified to become Director and 	The Key Objectives of the Policy shall be: <p>Formulate the criteria for determining qualifications, positive attributes and independence of a Director.</p>	Change due to listing of the shares of the company.

		<p>who may be appointed as Key Managerial Personnel and in senior management.</p> <ul style="list-style-type: none"> • Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel. • To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance; • To formulate Policy relating to the remuneration for the directors, key managerial personnel and other employees. • Formulate the criteria for determining qualifications, positive attributes and independence of a Director. • Identify persons who are qualified to become Director and who may be appointed as Key Managerial Personnel and in senior management. • Recommend to the Board, appointment and removal of Director, KMP and 	<p>Formulation of criteria for evaluation of performance of Independent Directors and the board of directors. Identify persons who are qualified to become Director and who may be appointed as Key Managerial Personnel and in senior management. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel. Whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of Independent Directors To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its</p>	
--	--	--	--	--

		<p>Senior Management Personnel.</p> <ul style="list-style-type: none"> To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance; To formulate Policy relating to the remuneration for the directors, key managerial personnel and other employees. 	<p>implementation and compliance and ; To formulate Policy relating to the remuneration for the directors, key managerial personnel and other employees.</p> <p>Formulate the criteria for determining qualifications, positive attributes and independence of a Director.</p> <p>Formulation of criteria for evaluation of performance of Independent Directors and the board of directors. Identify persons who are qualified to become Director and who may be appointed as Key Managerial Personnel and in senior management. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.</p> <p>Whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance</p>	
--	--	---	--	--

			<p>evaluation of Independent Directors</p> <p>To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance and ;</p> <p>To formulate Policy relating to the remuneration for the directors, key managerial personnel and other employees.</p>	
Page 2 Para 4	DEFINITIONS	Independent Director means an independent Director referred to in Section 149(6) of the Companies Act 2013	“Independent Director” means an independent Director referred to in Section 149(6) of the Companies Act 2013 and Regulation 16(1)(b) of the Listing Regulations.	Change due to listing of the shares of the company.
Page 2 Para 4	DEFINITIONS	“Senior Management Personnel “means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the MD & CEO, including the functional heads.	Senior Management Personnel “means officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one	Change due to listing of the shares of the company.

			level below the managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer and functional heads.	
Page 3 Para 5	Constitution	The Nomination and Remuneration Committee of the Board consists of 3 members, of which two are the nominees of State Bank of India (hereinafter referred as SBI) and one is the nominee director of C A Rover Holdings (hereinafter referred as CARH). The role of the Committee is as under:	The Composition of the Nomination and Remuneration Committee of the Board shall be as stated under the Companies Act 2013 and the Listing Regulations.	Change due to listing of the shares of the company.
Page 3 Para 6	The Role of the Nomination and Remuneration Committee shall include:	<p>The Committee shall:</p> <ul style="list-style-type: none"> Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and removal; To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and 	<ul style="list-style-type: none"> Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company (the “Board” or “Board of Directors”) a policy relating to the remuneration of the directors, key managerial personnel and other employees (“Remuneration Policy”); 	Change due to listing of the shares of the company.

		<p>Remuneration Committee or by an independent external agency and review its implementation and compliance;</p>	<ul style="list-style-type: none"> • Formulation of criteria for evaluation of performance of independent directors and the Board and to specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance; • Devising a policy on Board diversity; • To establish criteria for fit and proper as per the guidelines issued by Reserve Bank of India or any other regulatory body or applicable statute, rule or regulation; • Ensuring 'fit and proper' status of the proposed and existing directors; • Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their 	
--	--	--	---	--

			<p>appointment and removal.</p> <ul style="list-style-type: none"> • To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; • Recommend to the board, all remuneration, in whatever form, payable to senior management; • To exercise such powers as are granted under the applicable employee stock option scheme of the Company, as amended from time to time; and • perform such other activities as may be delegated by the Board and carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or under the Master Directions or provided under the Companies Act or any other applicable law, as and when 	
--	--	--	--	--

			amended from time to time.”	
Page 4 Para 7	Independence of Independent Directors	The Independent Director shall at the first meeting of the Board in which she/he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect her/his status as an independent director, give a declaration that he meets the criteria of independence as provided in sub-section (6) of section 178 of the Companies Act	The Independent Director shall at the first meeting of the Board in which she/he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect her/his status as an Independent Director, give a declaration that he meets the criteria of independence as provided in sub-section (6) of section 178 of the Companies Act., Regulation 16(1)(b) and Regulation 25 of the Listing Regulations The Independent Director shall at the first meeting of the Board in which she/he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect her/his status as an Independent Director, give a declaration that he	Change due to listing of the shares of the company.

			meets the criteria of independence as provided in sub-section (6) of section 178 of the Companies Act., Regulation 16(1)(b) and Regulation 25 of the Listing Regulations	
Page 5 Para 8	Remuneration to Directors/ Key Managerial Personnel/ Senior Management Personnel & other employees	<ul style="list-style-type: none"> The Directors nominated by SBI (except MD & CEO)/ CARH and who are full – time employees of SBI or CARH will not get any Remuneration from the Company including sitting fees. MD & CEO is not entitled for sitting fees. The Independent and other Non – Executive Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013 . The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors. Remuneration paid to KMPs, and to other employees: Managing Director/ CEO is a 	<ul style="list-style-type: none"> The Directors nominated by SBI (except MD & CEO)/ Investor Shareholder and who are full – time employees of SBI or investor shareholder will not get any Remuneration from the Company including sitting fees. MD & CEO is not entitled for sitting fees. The Independent and other Non – Executive Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013 and the Listing Regulations. The amount of sitting fees shall be such as may be recommended by the Nomination and 	Change due to listing of the shares of the company.

		<p>person on deputation from SBI. CEO's Remuneration & perquisites will be as per SBI's standard Policies and Practices.</p> <ul style="list-style-type: none"> • Other deputees from SBI shall also be paid Remuneration & perquisites as per SBI's standard Policies and Practices. • Other deputees from CARH shall be paid Remuneration & perquisites as per the market rate for such positions, by the Company. • Other employees, CFO and Company Secretary shall be paid Remuneration & perquisites in accordance with processes and procedures followed by the Company to determine the Remuneration & perquisites. <p>Criteria of performance evaluation and payment of Performance Linked Incentive to KMPs, Senior Management Personnel and other employees shall be in accordance with Company's Policy.</p>	<p>Remuneration Committee and approved by the Board of Directors.</p> <ul style="list-style-type: none"> • Remuneration paid to KMPs, Senior Management and to other employees: <ul style="list-style-type: none"> ○ Managing Director/ CEO is a person on deputation from SBI. CEO's Remuneration & perquisites will be as per SBI's standard Policies and Practices. ○ Other deputees from SBI shall also be paid Remuneration & perquisites as per SBI's standard Policies and Practices. ○ Other employees, CFO and Company Secretary shall be paid Remuneration & perquisites in accordance with processes and procedures followed by the Company to determine the Remuneration & perquisites. 	
--	--	---	--	--

			<ul style="list-style-type: none"> ○ Criteria of performance evaluation and payment of Performance Linked Incentive to KMPs, Senior Management Personnel and other employees shall be in accordance with Company's Policy. 	
--	--	--	---	--