

SBI CARDS AND PAYMENT SERVICES PVT LTD (SBICPSL)

NOMINATION & REMUNERATION POLICY

(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 31, 2018

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 31, 2018, 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.

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 (2), (3) and (4) of the Companies Act 2013 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.
- 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.
- 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.

4. **DEFINITIONS**

“Board” means Board of Directors of the Company.

“Company” means SBI Cards and Payment Services Pvt. Limited..

“Director” means Director of the Company.

“Independent Director” means an independent Director referred to in Section 149(6) of the Companies Act 2013.

“Key Managerial Personnel” (KMP) means

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

“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 CEO, including the functional heads.

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:

6. **Role of the Committee**

The Committee shall:

- 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 Remuneration Committee or by an independent external agency and review its implementation and compliance;

- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- 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.
- To evaluate the composition and size of the Board in order to ensure that the Board is comprised of members reflecting the proper expertise, skills, attributes and personal and professional backgrounds for service as Director of the Company.
- To establish, implement and monitor policies and processes regarding principles of corporate Governance in order to ensure the Board's compliance with its fiduciary duties to the Company and its shareholders
- Such other functions/area/term as desired/referred by the Board from time to time or required under applicable law /listing agreement, for time being in force.

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 has or had no pecuniary relationship with the Company, its holding or associate Company, or their promoters, or Directors, during the two immediately preceding financial years or during the current financial year.

(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/ CARH and who are full - time employees of SBI or CARH will not get any Remuneration from the Company including 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 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 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.
 - 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.
