

NOMINATION AND REMUNERATION POLICY
OF
BARCLAYS INVESTMENTS & LOANS (INDIA) PRIVATE LIMITED

Policy Governance	
Policy Owner(s)	Human Resource and Corporate Secretarial Function
Policy Reviewer(s)	Human Resource / Rewards Corporate Secretarial Compliance
Policy Approver(s)	Board of Directors of Barclays Investments & Loans (India) Private Limited
Version	9.0
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1. PREAMBLE

The Nomination and Remuneration Policy of the Company is formulated basis the requirements stipulated under RBI Master Direction – Non Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (as amended from time to time).

This Policy is framed to ensure that the Directors of the Company who are responsible for steering the affairs of the Company are ‘fit and proper’, besides having the necessary qualifications. The Policy also aims to provide necessary guidance on compensation of Key Managerial Personnel and members of Senior Management with effect from April 1, 2023 in terms of RBI guidelines (as amended from time to time).

This Policy has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of the Company.

2. DEFINITIONS

- (a) **‘Act’** means the Companies Act, 2013 and rules framed thereunder, as amended from time to time.
- (b) **‘Board’** means the Board of Directors of the Company.
- (c) **‘Company’ / ‘BILIPL’** means ‘Barclays Investments & Loans (India) Private Limited’.
- (d) **‘Directions’** means the Master Direction – Non Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016, as amended from time to time.
- (e) **‘Key Managerial Personnel’ or ‘KMP’** shall have the same meaning as referred to in Section 2(51) of the Companies Act, 2013, as amended from time to time.
- (f) **‘NRC’ or ‘Committee’** shall mean the Nomination and Remuneration Committee of the Company.
- (g) **‘Policy’ or ‘this Policy’** means Nomination and Remuneration Policy of BILIPL.
- (h) **‘Remuneration’ or ‘Compensation’** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income Tax Act, 1961.
- (i) **‘Senior Management Personnel’** is defined in ‘Explanation’ to Section 178 of the Companies Act, 2013 and means personnel of the Company who are members of its core management team, excluding the Board of Directors, comprising all members of management one level below the executive directors, including the functional heads and more specifically described in **Annexure –1** of this Policy.

3. INTERPRETATION

Unless the context otherwise requires, terms that have not been specifically defined in this Policy shall bear the same meaning as assigned to them under the Companies Act, 2013.

4. CONSTITUTION AND ROLE OF THE COMMITTEE

The Nomination and Remuneration Committee of BIL IPL shall comprise of at least three directors of the Company appointed by the Board.

The Committee shall have the same powers, functions and duties as laid down in Section 178 of the Act to the extent it is applicable to the Company. The role of the Committee is described in the Terms of Reference of the Committee (as approved by the Board from time to time), and includes the following:

1. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal.
2. Specify the manner for effective evaluation of performance of the 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.
3. Formulate the criteria for determining qualifications and positive attributes of a director.
4. Recommend to the Board a policy, relating to the remuneration for the directors, KMPs and other employees in scope of this Policy; and review its implementation.
5. Ensure the “fit and proper” status of proposed/existing directors and scrutinize the declarations.

5. REMUNERATION GUIDING PRINCIPLES

This section should be read in conjunction with the Group Reward Policy and Group Reward Standard, which is incorporated by reference into this document. Unless provided contrary to the Act, Rules or Regulations applicable to BIL IPL, BIL IPL as a subsidiary of Barclays PLC, is subject to the Barclays Group-wide remuneration policy (“**Group Remuneration Policy**”) as approved by the Barclays PLC Board Remuneration Committee (“**Group Remuneration Committee**”), whose remit is Group-wide and global, including directly applying to BIL IPL. The Reward Standard in particular sets out how the Barclays Group remuneration approach operates (including all elements of remuneration both fixed and variable) and how it complies with all regulatory requirements.

The objectives of Barclays Group Remuneration Philosophy are to:

1. **Attract and retain talent needed to deliver Barclays’ strategy** - Long term success depends on the talent of our employees. This means attracting and retaining an appropriate range of talent to deliver against our strategy, and paying the right amount for that talent.

2. **Align pay with investor and other stakeholder interests** – Remuneration should be designed with appropriate consideration of the views, rights and interests of stakeholders. This means listening to our shareholders, other investors, regulators, government, customers and employees and ensuring their views are appropriately considered in remuneration decision-making.
3. **Reward sustainable performance** – Sustainable performance means making a positive contribution to stakeholders, in both the short and longer term, playing a valuable role in society.
4. **Support Barclays' Values and culture** – Results must be achieved in a manner consistent with our Values. Our Values and culture and Mindset should drive the way that business is conducted.
5. **Align with risk appetite, risk exposure and conduct expectations** – Designed to reward employees for achieving results in line with the Group's risk appetite and conduct expectations.
6. **Be fair, transparent and as simple as possible** – We are committed to ensuring pay is fair, simple and transparent for all our stakeholders. All employees and stakeholders should understand how we reward our employees and fairness should be a lens through which we make remuneration decisions.

Maintenance of Capital Levels:

Barclays is mindful of the need to build and maintain capital levels in line with regulatory requirements when determining and approving variable remuneration. The Group Remuneration Committee considers the impact on the CET1 ratio when deciding the size, deferred component and delivery structure (in cash and/or shares) of the bonus pool in any year.

More generally, the Group Remuneration Committee receives updates on the capital plan and position from the Finance function and take this into consideration when considering the quantum of incentives.

NRC or Group Remuneration Committee may further take into consideration that compensation levels are supported by the need to retain earnings of the Company and the need to maintain adequate capital based on ICAAP.

Alignment of Remuneration with Performance and Risk:

The Group Remuneration Philosophy ensures strong alignment with risk, conduct and our Values. To ensure that remuneration practices throughout the business conform to these objectives, Barclays has a Group People Risk Policy and Standard for Reward which set minimum governance, control and compliance standards that all businesses should apply globally in respect of their own remuneration practices. Additionally, paying fairly and transparently is a key priority at Barclays and remuneration policies are reviewed against the Remuneration Philosophy, Barclays' Fair Pay agenda and Barclays' purpose, Values, conduct expectations and supporting long-term success.

Performance assessments and remuneration outcomes are made on the basis of a broad assessment of performance based on expected standards of delivery and behaviour which are discussed with employees at the start of and throughout the performance year. All employees have their performance assessed against the 'what' (performance against objectives) and the 'how' (demonstration of our Values and Mindset). Linking individual performance assessment and remuneration decisions to both the Barclays' business strategy and our Values in this way promotes the delivery of sustainable individual and business performance, and establishes clear alignment between remuneration policy and Barclays' Strategy.

Annual bonuses incentivize and reward the achievement of Group, business and individual objectives, and reward employees for demonstrating individual behaviours in line with Barclays' Values and Mindset. All employees are considered, subject to eligibility criteria. Once approved, the total incentive pool for each reporting business unit is divided and allocated to the principal business areas. Individual allocations from the incentive pool are strongly differentiated on the basis of performance with individual performance assessment ratings driving individual incentive award decisions. Performance assessment ratings are determined based on a rounded assessment of performance including achievement against pre-agreed objectives, an employee's values and behaviours, and risk and compliance standards. Individual incentive awards also take into account individual responsibility for risk and conduct events.

There are a number of features of Barclays' remuneration practices which promote sound and effective risk management and ensure that compensation packages aligned effectively with prudent risk taking, including:

- A principle of Barclays' Remuneration Philosophy is that it only reward employees for achieving results in line with the Group's risk appetite and conduct expectations.
- Barclays' approach to measuring the performance of individuals includes both financial and non-financial metrics, including performance against behaviours in line with Barclays' Values and Mindset, and adherence to applicable Risk, Compliance and control policies. Through Barclays' performance management approach, the equal importance of both 'what' an individual has delivered as well as 'how' they have achieved this is emphasised, encouraging balanced consideration of each dimension.
- Barclays operates the 'Review Data' process to identify all serious/material misconduct matters, in order to ensure these are reflected in the performance assessments and compensation outcomes. A Review Data event is an employee conduct breach that has resulted in a formal HR disciplinary sanction (a first or final written warning, or equivalent local disciplinary sanction), and must be considered by the business when assessing an employee's performance and when considering the variable remuneration recommendation for the employee (i.e. an appropriate adjustment should be made and the rationale for this provided). This helps to reinforce the link between performance – both what we achieve and how we achieve it – and reward outcomes.
- Where investigations into an employee's material misconduct are on-going at the time variable remuneration payments are determined and paid or awarded, Barclays' practice is to suspend the payment of awards until the investigation has completed.
- The weighting between fixed and variable remuneration is reviewed periodically to ensure there is an appropriate balance.
- Deferred incentive awards for all employees are subject to malus. The malus provisions enable the Group Remuneration Committee to reduce the amount of unvested bonus or Long

Term Incentive Plan (including to nil) prior to vesting in specified circumstances, including, but not limited to:

- an employee deliberately misleading Barclays, the market and/or shareholders in relation to the financial performance of the Barclays Group;
 - an employee causing harm to Barclays' reputation or where his/her actions have amounted to misconduct, incompetence or negligence;
 - a material restatement of the financial statements of the Barclays Group or any subsidiary, or the Group or any business unit suffering a material downturn in its financial performance;
 - a material failure of risk management in the Barclays Group;
 - a significant deterioration in the financial health of the Barclays Group.
- The Group Remuneration Committee also ensures that there is clawback applied to individual remuneration, where appropriate.
 - Barclays applies ex-ante and ex-post risk adjustment to its incentives pool, and ex-post adjustment also applies to individual remuneration.
 - The Enterprise Risk Management Framework ("ERMF"), to which the entire Group is subject, sets out principles of consistent enterprise wide risk management and controls for all risk types. These risks are reflected in the ex-ante and ex-post risk adjustment stages of the incentives pool determination process.

Proportion and Delivery of Variable Pay:

There is careful control of the proportion of variable to fixed remuneration paid to individuals and also to ensure an appropriate amount of variable remuneration is deferred to future years, particularly for senior employees. This encourages a longer term focus on performance. Deferred bonuses are generally delivered in equal portions as deferred cash and shares. They are subject to either a three, four, five or seven-year deferral period (and for Material Risk Takers (MRTs) further holding periods of six or 12 months for deferrals in shares) in line with Group regulatory requirements. Consistent with regulation, the remuneration of MRTs is subject to 2:1 maximum ratio of variable to fixed remuneration.

Incentive awards for Barclays' employees are discretionary and are materially conditional on performance. Awards of guaranteed variable remuneration are only made in exceptional circumstances to compensate new hires for in-year forgone bonus and typically only when the new hire starts in the last quarter of the year (i.e. when there is insufficient time to effectively measure individual performance).

Barclays may also elect to make an award of cash and/or shares to compensate a new hire for the loss of unvested deferred awards or long term awards from their previous employment that were forfeited on resignation or as a result of the individual joining Barclays. Such awards are subject to robust governance including the requirement that there is clear evidence of the existence, value and structure of the previous awards and that they were forfeited as a result of the individual joining Barclays.

Independence of Control Functions:

Barclays Group's control functions are independent from the business they oversee and their authority stems from control function heads who are members of the Barclays Group Executive Committee (or in the case of the Chief Internal Auditor is an attendee) and who report directly to the Barclays Group Chief Executive. The incentive pool for control functions employees, including

KMPs and Senior Management Personnel engaged in Financial Control, Risk Management, Compliance and Internal Audit, is based on the performance of the Group and the functions. It is not based on the performance of the business units. Remuneration for control function heads is independent of the businesses and is overseen and approved by the Group Remuneration Committee. The performance assessment process for control function staff is run independently of the business and considers the individual performance of the relevant employee in the context of the goals set at the start of each year. These goals are tailored to the individual and involve control function related goals, projects and metrics, as well as a consideration of values and behaviours. Business unit staff may provide appropriate input to the performance assessment of control functions staff but they do not have decision-making powers concerning the performance and remuneration decisions for control function staff.

Variable and fixed remuneration for control and support function employees is less weighted towards variable remuneration as compared to front office employees. This is reflective of the control nature of the roles and leads to less volatility in control function remuneration as compared to front office. Variable remuneration for control functions is typically limited to one times fixed remuneration. Market data is used from multiple reputable third party data sources to benchmark control function roles. This ensures that remuneration for control function staff is positioned adequately to attract qualified and experienced staff.

6. APPOINTMENT CRITERIA AND QUALIFICATIONS OF DIRECTORS AND KMP:

- a) The Committee shall ascertain integrity, qualification, expertise and experience of the person for appointment as a Director or KMP, and recommend to the Board his/her appointment.
- b) The Committee shall undertake a process of due diligence to determine the suitability of the person for appointment/re-appointment as a Director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria as prescribed by RBI.
- c) As part of due diligence, the Committee shall determine the suitability of a person to continue to hold office of Director based on the scrutiny of 'fit and proper' declaration received by the Director for status as on March 31st every year.
- d) The Company shall not appoint or continue the employment of any person as Managing Director, Whole-time Director or Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution in which case an explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- e) Provided further that where no such special resolution is passed but votes cast in favour of the motion exceed the votes, if any, cast against the motion and the Central Government is satisfied, on an application made by the Board, that such appointment is most beneficial to the company, the appointment of the person who has attained the age of seventy years may be made.

7. TERM / TENURE FOR DIRECTORS:

- a) **Managing Director/Whole-time Director/Manager:** The Company shall appoint or re-appoint any person as its, Managing Director, Whole-time Director or Manager for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.
- b) **Non-Executive Director:** There shall be no term specified for appointment of a Non-Executive Director unless otherwise specified under the Act.

8. REMOVAL OF DIRECTORS:

The Committee may, with the reasons recorded in writing and in compliance with the provisions of the Act, and applicable laws for the time being in force, recommend to the Board the removal of Directors on Board of the Company on grounds such as disqualification, misconduct, fraud or in accordance with the prevailing policy of the Company in this regard.

9. REPORTING OF EXIT AND SUCCESSION PLANNING OF DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL

The Company shall report to RBI regarding exit of any Director, KMP and Senior Management Personnel (by way of resignation/removal/early retirement) within two working days of such exit. Further, the Company shall make a suitable succession plan as part of business continuity within a period of three months from such exit, and share the same with Board of Directors (vide email or otherwise).

10. EVALUATION OF PERFORMANCE OF THE BOARD, ITS COMMITTEES AND DIRECTORS

The evaluation of the performance of the Board, its committees and individual directors shall be carried out by the Board on an annual basis. A structured questionnaire covering various aspects for evaluation of the Board, its committees and individual directors and outcome of the feedback received shall be placed before the Board for assessment.

11. REVIEW OF THE POLICY

Any change in this Policy shall be reviewed by the Committee and recommended to the Board for approval.

12. VERSION CONTROL

Version	Date	Change
1.0	February 20, 2015	Policy Approved
2.0	May 25, 2016	Annual review of the Policy
3.0	May 23, 2017	Annual review of the Policy
4.0	June 8, 2018	Annual review of the Policy
5.0	January 17, 2019	Periodic review of the Policy
6.0	June 29, 2020	Annual review of the Policy

7.0	June 7, 2021	Annual review of the Policy
8.0	March 31, 2023	Annual review of the Policy to align with RBI guidelines for compensation of KMPs and Senior Management in NBFCs
9.0	August 22, 2023	Review of the Policy due to change in the organization structure of the Company.

ANNEXURE – 1

The term 'Senior Management Personnel' shall mean the following functional heads of grade Vice President or above, employed directly by BILIPL (as per tiering structure of the Company), in the following functions:

- Head of Distribution/Sales - Private Clients, India
- Head of Loan against Securities Business
- Head of Non-Credit Marketing and Servicing
- Head of Risk, Oversight and Controls - Private Clients, India
- Head of Operations / Client Due Diligence
- Chief Internal Auditor
- Chief Compliance Officer (appointed by the Board, irrespective of corporate grade)
- Credit Risk Officer
- Head of Financial Control
- Head of Technology*
- Head of Treasury*

Following officials are also termed as KMPs hence, they will remain in scope of this Policy irrespective of their grade.

- Whole-time Director(s) on Board
- Company Secretary

Exceptions:

*Any function that has been outsourced by BILIPL to another entity, will not be in scope of this Policy.