

## **IDBI BANK LIMITED**

CIN: L65190MH2004GOI148838

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### **Remuneration Policy of the Bank**

#### **I. Background**

In terms of Section 178(3) of the Companies Act, 2013, the Remuneration Committee will formulate and recommend to the Board a policy relating to the Remuneration for Directors, Key Managerial Personnel and other employees of IDBI Bank.

In terms of Section 178 (4) of the Companies Act, 2013, while formulating the policy under Sub Section (3), the Remuneration Committee shall ensure that:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals:
- Provided that such policy shall be disclosed in the Board's Report.

#### **II. Remuneration of Directors**

In terms of Article 116(1)(a) and (b) of the Articles of Association of IDBI Bank, the Managing Director & CEO and Deputy Managing Directors of IDBI Bank are appointed by Government of India. The pay scales and Remuneration structure of Managing Director & CEO and DMDs are fixed by Government of India (GoI) and are communicated to the respective MD & CEO and DMDs as well as the Bank. These Pay Scales and Remuneration structure are fixed by GOI in line with the Pay Scales / Remuneration Structure fixed for MDs and WTDs of other Public Sector Banks based on the policy followed by Government of India in this regard. Apart from the above, no other Remuneration would be payable to any other Director on the Board of IDBI Bank except the payment of sitting fees to Independent Directors of the Bank @ ₹ 20,000/- per meeting of the Board, Executive Committee and Audit Committee of the Board and @ ₹ 10,000/- per meeting for other Board Committee Meetings. These rates of sitting fees are prescribed by Government of India for Public Sector Banks and would also be approved by Bank's Board of Directors. The rates of sitting fees would be revised with the revision



notified by Government of India for Public Sector Banks from time to time. Apart from the sitting fees, the expenses on Travel, Transport and Stay of outstation Directors attending the Board and Board Committee Meetings would also be borne by IDBI Bank.

### **III. Remuneration of Key Managerial Personnel**

In terms of section 2(51) of the Companies Act, 2013, Key Managerial Personnel, in relation to a company means:

- (i) The CEO or Managing Director;
- (ii) The Whole Time Director;
- (iii) The Company Secretary;
- (iv) The Chief Financial Officer (CFO); and
- (v) Such other officer as may be prescribed

The Remuneration Policy for MD and WTDs as at (i) and (ii) above is covered under Para II of this Policy. As regards CFO and the Company Secretary, the positions are held by cadre officers of IDBI Bank and their Pay Scales and Remuneration structure would be equivalent to the Pay Scales and Remuneration structure being offered by IDBI Bank to the other parallel cadre officers and would be finalized by the Bank with the approval of the Board of Directors and Government of India to be obtained in this regard as per the practice / process being followed by other Public Sector Banks.

### **IV. Remuneration of Officers and Employees**

The Pay Scales and Remuneration structure of IDBI Bank's Officers and Employees would be finalized by IDBI Bank, based on negotiations with respective employee associations and after obtaining Board of Directors' and Government of India's approval in this regard, a practice / process, similar to the one being followed by other Public Sector Banks.

### **V. Attendance of Chairperson of Remuneration Committee at General Meetings**

In compliance of the requirements of Section 178(7) of the Companies Act, 2013, the Chairperson or in his / her absence, any other member of the Remuneration Committee (who will be deemed to be authorized by the Chairperson) shall attend Bank's General Meetings including Annual General Meetings.

