



REMUNERATION POLICY OF THE BANK

In terms of Section 178(3) of the Companies Act, 2013, the NRC 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 NRC 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 placed on the website of the company, if any, and the salient features of the policy and changes therein, if any, along with the web address of the policy, if any, shall be disclosed in the Board's Report.

II. Remuneration of Directors

In terms of Article 116 of the Articles of Association of IDBI Bank, the Managing Director & CEO and Deputy Managing Directors of IDBI Bank are nominated by Life Insurance Corporation of India (LIC). The Remuneration of Managing Director & CEO and DMDs will be as decided by LIC and as approved by RBI & the Board. Apart from the above, no other Remuneration would be payable to any other Director on the Board of

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IDBI Bank except the payment of sitting fees to Non-Executive Chairman, LIC's Official Nominee and the Independent Directors of the Bank as decided by the Board 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);
- (v) Such other officer, not more than one level below the directors who is in whole time employment, designated as key managerial personnel by the Board; and
- (vi) Such other officer as may be prescribed under the Companies Act, 2013.

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 grade officers and would be finalized by the Bank with the approval of the Board of Directors.

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 after obtaining Board of Directors' approval in this regard from time to time.

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