HDFC LIFE INSURANCE COMPANY LIMITED

Remuneration Policy

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1.0 Background

This remuneration policy document is based on the sound remuneration principles and practices applied by HDFC Life Insurance Company Ltd ('the Company' or 'HDFC Life') and is in accordance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), rules/regulations/guideline issued by the Insurance Regulatory and Development Authority of India (IRDAI) from time to time. The policy aims to provide a framework to create, modify and maintain appropriate remuneration programs and processes with adequate supervision and control for the Company.

2.0 Coverage and applicability

This policy is applicable from the time it has been approved by the NRC and Board of Directors and will cover:

A. Non-Executive Directors
B. All employees including MD/CEO, Whole Time Directors, Key Managerial Persons

All prior commitments made and/or remuneration paid prior to the applicability of the policy will be excluded from the scope of the policy.

3.0 Part A – Non-Executive Directors

3.1 The Non- Executive Directors comprises of Non- Executive Independent Directors as well as Non-Executive Non-Independent Directors.

3.2 The company recognizes that Non-Executive Directors need to be adequately remunerated considering the value and guidance received from them, utilization of their skill and experience and time spent for the Company. Thus, while considering the remuneration of Non-Executive Director, the Committee shall take into account inter alia the following factors among others:

3.2.1 Expertise, advice and inputs provided by the Non – Executive Directors;

3.2.2 Overall amount of efforts put in by the Non–Executive Directors over the period, in discharging responsibilities relating to the Company/ their directorship;

3.2.3 Extent of time devoted by Non-Executive Director in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company from time to time.

3.3 The remuneration of Non-Executive Directors may comprise of the following:

3.3.1 The Non-Executive Directors' may receive remuneration by way of fees for attending meetings of Board or Committee thereof provided that the amount of such fees shall not exceed Rs. One Lakh per meeting of the Board or Committee(s) of the Board or such amount as may be prescribed under the Act or applicable rules, regulations and guidelines.

3.3.2 Further, the Non-Executive Directors may also be paid Commission within the limits prescribed under the Act and IRDAI rules/ regulations and guidelines post approval of the Board of Directors/ shareholders, as may be applicable.

3.3.3 Such other means of remuneration may be paid to Non-Executive Directors as may be specified under the Companies Act, 2013/ or any other applicable law, and as decided

by the Committee/ Board. Non-Executive Directors shall not be entitled to any stock option of the Company.

3.3.4 Required approvals (including that of shareholders and IRDAI), as and to the extent applicable, shall be obtained for any such payments of remuneration.

3.3.5 Non-Executive Directors shall be entitled to reimbursement of their expenses for participation in the Board & other meetings.

4.0 Part B - Remuneration for All employees including MD/CEO, Whole Time Director (WTD), Key Managerial Persons (KMPs)

4.1 Remuneration Philosophy

HDFC Life is committed to creating and sustaining a high-performance culture to meet its short-term goals as well as its long-term vision of being "One of the most successful and admired life insurance company". A thoughtfully designed remuneration strategy is one of the tools leveraged by the company to attract, retain, motivate and reward talent and drive such a culture within the company. The following principles form the foundation of the remuneration philosophy in the organization:

4.1.1 Pay for Performance

The remuneration structure is designed in a way that it allows us to recognize and reward high performance. Salary revision or payment of Variable Pay or grants of any Long-Term incentive plans, or any other benefits, as applicable are largely linked to performance of the Company as well as one's own performance that is measured against the set performance goals or targets.

4.1.2 Competitive and Market Related Pay

The Company conducts a scientific, robust remuneration benchmarking activity, on a periodic basis, to identify the market worth of various roles within the Company. This information is used to peg remuneration for every role based on its criticality within the organization as well as based on the demand-supply gap for such talent within the market. The objective is to identify the right benchmarks to ensure competitiveness in attracting, retaining and motivating talent so as to meet the short/long-term objectives of the organization. This peg becomes one of the important parameters for key remuneration related decisions like Annual Salary revision, Variable performance pay, Grant of Long Term Incentive Plan (LTIP) etc.

4.1.3 Integrity and Fairness

HDFC Life strives to treat employees fairly, consistently and equitably in relation to remuneration and benefits, without any bias towards gender, age, disability, race, nationality, religion, marital status etc.

4.1.4 Transparency

The Company provides all employees with clear and understandable information that explains the different components of their remuneration and how their salary is determined. This includes sharing information on an employee's variable pay earning potential, salary structure and appraisal guidelines, where ever applicable.

4.1.5 Alignment with Prudent risk taking

While the Company's approach to remuneration is to stay competitive to attract and retain talent and reward performance and meritocracy, all this is done within a prudent risk management framework.

4.2 Governance of Remuneration

The Board of Directors will have a separate committee (Nomination and Remuneration Committee - NRC) for overseeing and governing the remuneration practices of the Company. The NRC will, inter alia, review and track the implementation of the Remuneration Policy of the Company.

The NRC will meet at least once a year for Remuneration Review and monitor the following:

4.2.1 Oversee the overall design, review and implementation of the remuneration policy.

4.2.2 Work in consultation with the Risk Management Committee (RMC) to achieve alignment between risks and remuneration

4.2.3 Take key remuneration decisions like Annual Salary revision, payment of Variable pay for performance and Grant of LTIP based on a balanced assessment of the overall health and performance of the organisation across key parameters, as approved by the NRC at the beginning of each financial year. The performance assessment of WTDs/KMPs shall comprise a combination of:

(i) parameters mandated by IRDAI from time to time,
(ii) additional parameters aligned to the Company's business plan for the year, and
(iii) role-specific functional parameters based on the responsibilities of the KMP.

The broad parameters for FY26–27 are outlined in Annexure IV.

4.2.4 Approve and recommend to IRDAI the remuneration of Key Managerial Persons (KMPs), Whole Time Directors (WTDs)/ MD/CEO of the organisation.

4.3 Forms of Remuneration

Remuneration comprises of:

a. Fixed Pay, which includes Perquisites/ Benefits, Retirals/Social Security benefits etc.
b. Variable Pay, which includes Performance bonus/Incentive, Long Term Incentive Pay in form of cash bonuses and share-linked instruments like ESOPs
c. Other payments, including Joining/ Sign on/Guaranteed Bonus, Severance package etc.

4.3.1 **Fixed Pay :** Fixed Cost to Company (FCTC) comprises of Basic Salary, Allowances, Retirals and other perks and benefits.

4.3.1.1 **Retirals:** Retirals such as Company's contribution to PF, accumulation towards Gratuity, Superannuation, National Pension Scheme are included as part of the fixed pay.

4.3.1.2 **Perquisite Pay / Benefits:** Perquisite Pay / Benefits include Mediclaim Benefit; Life Insurance Cover; Food Card; Club Membership; Fuel and Driver, Company Car, etc. if provided by the organisation.

4.3.1.3 The quantum of fixed pay, as a percentage of the overall remuneration, is higher at lower grades vis a vis at the higher grades. The benefits are applicable to a group of employees within pre-defined limits, based on the grade that they belong to. All benefits may not be applicable across all grades.

4.3.2 Variable Pay: This includes Performance bonus/Incentives, Long Term Incentive Pay in the form of cash bonuses and share-linked instruments like ESOPs.

i. Linkage of Variable Pay to Performance

a. At the beginning of the financial year, the NRC approves a balanced scorecard to assess Company's performance against identified KPIs, across all key areas such as Financials, Customer Outcomes, Operations/Processes and People. The KPIs shall comprehensively capture critical parameters reflecting the overall health of the Company including parameters mandated by IRDAI from time to time. Broad parameters considered for the year FY26-27 are as specified in Annexure IV. In addition, role-specific functional KPIs may be incorporated in alignment with the approved business plan.

b. Individual goal setting is done for all employees with their performance goals aligned to the organisational scorecard. Variable Pay for Performance (Performance Bonus) is paid to an employee based on assessment of performance against organisational and individual goals as mentioned in the scorecard.

c. Performance measures and their relation to remuneration packages will be defined at the beginning of the performance measurement period and approved by the NRC. Some amount of discretion may be exercised in payout of the Bonus, if needed, with approval from the NRC.

d. Under certain circumstances, including significant deterioration in the performance of key performance parameters as mentioned in Section 4.2.3 and/or serious non – compliance to the rules and regulations and/or code of conduct, the organisation may decide not to issue any new grants / approve any variable pay/ Incentive pay for the year, or for specific period, to an employee individually, or to a group of employees collectively, or to all employees.

ii. Linkage of Variable Pay to Risk

a. Variable pay will be decided after adjustment for different types of risks. The payment will be done subject to no serious breach in any of the threshold risk parameters.

b. The methodologies for adjusting remuneration to risk and performance will also be consistent with the general risk management and corporate governance framework.

c. Risk adjustments will take into account the nature of the risks involved and the time horizons over which they could emerge.

d. The impact of remuneration adjustments will be linked to actions taken by employees and/or business units, and their impact on the level of risk taken by the Company.

The components of variable pay will include:

4.3.2.1 Performance Bonus/Incentives – This may be paid at varied intervals ranging from Monthly, Quarterly, half-yearly and annual. The frequency of payment may be One time/monthly/quarterly/annually for middle and Junior level employees in Sales, as per the approved Sales incentive schemes/contests. All other employees are paid annually. The payment of Performance bonus/incentives is based on the assessment of one's performance against the set goals and other conditions as mentioned in section **4.3.2.i.a.**

4.3.2.2 Long Term Incentive Pay (LTIP): This shall be granted to employees, in the form of Stocks or Cash. Stock based instruments are in the form of Employee Stock Options (ESOPs) and Cash based instruments could be either in the form of a One-time payout with a tenure-based clawback condition and/or Deferred payout over a period of time. This shall be granted on a discretionary and reasonable basis, based on past performance, future potential and criticality of the talent and role.

i. ESOPs are granted to employees with the objective to align interest of employees with the long-term interests of the organisation and reward them for creating shareholder value. ESOP are granted at FMV and are valued using a Black Scholes method or any other method as approved by the NRC, within the regulatory framework. ESOPs generally vest over a period of time. All ESOP schemes are approved by the NRC, Board of Directors and all shareholders as per the SEBI guidelines.

ii. Cash LTIP may also be granted from time to time with the objective of retaining employees and may be paid over a period of 1-4 years as per the approved scheme.

4.3.3 Other Payments

4.3.3.1 Joining Bonus/Guaranteed Bonus: Joining bonus may be offered for recruitment of new staff, and the same will be limited to the first year of service for new employees hired in Category I & Category II mentioned in **4.4** below. No employees in Category I & Category II will be eligible for any form of Guaranteed Bonus.

4.3.3.2 Severance Pay: The organization does not grant Severance Pay (other than accrued benefits in the form of Provident Fund, Gratuity or Superannuation), except in cases where it is mandated by statute / regulation/ any scheme approved by NRC. Severance Pay may be paid to employees only in case of separation without cause, basis approval from NRC. Severance pay will not be paid to employees hired in Category I & Category II mentioned in **4.4** below.

4.3.3.3 Voluntary Retirement Scheme (VRS): The organization may formulate remuneration schemes from time to time for voluntary retirement of some groups of employees. Such schemes would be approved by the NRC.

4.4 Employee Classification and definitions

Employees have been broadly classified into following categories:

a. **Category I** – **Comprising MD & CEO and Whole Time Directors (WTDs)**
b. **Category II** – **Key Managerial Persons (KMPs)**
   KMP shall include members of the Executive Committee including the functional heads one level below the MD & CEO, Chief Financial Officer, Appointed Actuary, Chief Investment Officer, Chief Risk Officer, Chief Compliance Officer and the Company Secretary and any such person as may be decided by the NRC.
c. **Category III** - **Other Employees**
   This includes all employees, not explicitly covered in the first two categories.

4.5 Broad Guidelines for Payout

4.5.1 General Guidelines

a. Remuneration will be in line with statutory, regulatory and compliance norms.
b. The minimum eligibility criteria for Remuneration revision, Variable Pay and LTI grant will be announced to employees from time to time.
c. All variable pay & joining bonus commitments made in / for period up to FY23 will continue to be implemented as per earlier policy.
d. The organisation shall not provide any facility or funds or permit employees to insure or hedge their remuneration structure.
e. Designated employees as per Employee Dealing policy will additionally follow the guidelines prescribed as per the Minimum Standards for Code of Conduct to Regulate, Monitor and Report Trading by Insiders prescribed in Schedule B of SEBI (Prohibition of Insider Trading Regulations), 2015
f. In case an employee moves from one category to another, commitments on variable remuneration made in the previous category will continue to be available and will not be guided by the guidelines applicable to the new category.

4.5.2 Guidelines for Variable Pay payouts to Category I: MD & CEO and WTDs and Category II: KMPs in addition to clauses mentioned in Section 4.3.2

4.5.2.1 Assessment parameters:

For all KMPs, the performance against the critical risk parameters as mandated by the IRDAI from time to time shall constitute at least 50% of the total weightage in the performance assessment matrix

The remaining 50% weightage shall be allocated to additional performance parameters aligned with the approved business plan of the Company. The selection and weighting of these parameters shall be appropriately calibrated based on the roles and responsibilities of the respective KMPs.

4.5.2.2 Composition of Variable Pay:

The variable pay will be in the form of share linked instruments (ESOPs) or a mix of cash and share linked instruments. The organisation will ensure that there is a proper balance between Fixed Pay and Variable Pay and is within the guidelines prescribed by IRDAI. Any variable pay or performance incentive shall be paid/ or granted to any KMP only once during a financial year.

4.5.2.3 Limits on Variable Pay:

Variable Pay shall be at least 50% of the Fixed Pay for the corresponding period and shall not exceed 300% of the Fixed Pay. Where variable pay is up to 200% of the fixed pay, a minimum of 50% of the variable pay should be via Share linked instruments like ESOPs. The same limit would be 70%, in case the variable pay is above 200% of the fixed pay.

4.5.2.4 Deferral of Variable Pay:

A minimum of 50% of the total variable pay will be under deferral arrangement and the deferral period shall be for a minimum period of three years. The first such vesting shall accrue after one year from the commencement of the deferral period. Vesting will be no faster than on a pro rata basis and will not take place more frequently than on a yearly basis to ensure a proper assessment of risks before the application of ex-post adjustments.

In case variable pay is mix of cash and share linked instruments and such cash component of variable pay is Twenty-Five lakhs or under, no deferral requirement for the cash component would be necessary.

Where variable pay is a mix of cash and share linked instruments and such cash component of variable pay is more than Rs. 25 lakhs (Rupees Twenty-Five Lakhs), payment of such cash component / performance bonus will be done as per the following modes:

a) Payment of first Twenty-Five Lakhs (Rs.25 lakhs) without any deferment and

b) Payment of the balance Cash component of variable pay above Rs. 25 lakhs as under:

i) 50% without deferment.

ii) balance-50% to be deferred over the deferral period proposed by the insurer, subject to a minimum period of 3 years and as per the guidelines issued by IRDAI

4.5.2.5 Treatment for Share Linked Instrument

In case of Death/Resignation/Retirement/ Permanent Incapacity, the terms and condition of stock options issued to the employee shall be governed by the respective Employee Stock Options schemes in place as approved by the NRC/Board/ Shareholders.

In case of reappointment on retirement, the deferred pay due at the time of retirement (i.e., prior to reappointment) should be paid only in the respective years to which it is originally deferred.

4.5.2.6 Treatment for Cash portion of Variable Pay

After the determination and approval of annual cash variable pay (other than ESOPs) for a particular financial year but prior to the due date of payment as per the applicable deferment schedule, the following provisions shall apply for a KMP(s) under each scenario:

(i) Retirement/ resignation: The deferred portion of the cash variable pay shall be released in respective years to which it was deferred subject to Malus and Clawback provisions outlined in Section 4.6 of the policy.

(ii) Death or Permanent Incapacity: The deferred portion shall be paid out immediately to the employee or his/her nominee (as the case may be)

(iii) Termination: All deferred payouts shall stand cancelled.

4.6 Malus and Clawback

The organisation believes in sustained business performance in sync with prudent risk taking. The organisation, therefore, has devised appropriate deterrents in order to institutionalize the aforementioned commitment.

The intent of the clause is to provide a transparent mechanism for applying malus or clawback vis-à-vis variable pay incentives, to ensure that senior management remuneration outcomes are fair, appropriate and reflect business performance. The intent also extends to augment corporate governance practices by enabling the Company's Nomination and Remuneration Committee to apply malus or clawback provisions on certain elements of senior management's remuneration in certain circumstances, as elaborated below.

The clause applies to employees employed with the Company in Category I and Category II, i.e., Company's Managing Director, Whole-Time Directors, Chief Executive Officer and Key Managerial Personnel ('**Subjected Employees**'). It shall apply to Variable Pay payouts as detailed out in clause 4.3.2 of this policy.

4.6.1 Malus Arrangement:

Malus arrangement is applicable for all types of variable compensation other than fixed pay, which has not yet been vested.

The provision of a Malus arrangement would entail cancellation of payout for the deferred portion of reward (cash variable pay/long term incentive (LTI) i.e. any Share Linked Instrument). As per the guidelines issued by IRDAI, the term '**malus'** shall mean '*an arrangement that permits the organisation to prevent vesting of all or part of the amount of a deferred remuneration. Malus arrangement does not reverse vesting after it has already occurred.*'

4.6.2 Clawback Arrangement: The provision of clawback arrangement would entail return of payout of reward (cash variable pay/long term incentive (LTI) i.e. any Share Linked Instrument) made in the previous year's attributable to a given reference year wherein the incident has occurred. Clawback shall be applicable to Subjected Employees even after their separation from the Company.

As per the guidelines issued by IRDAI, the term 'clawback' shall mean '*a contractual agreement between the KMP and the insurance company in which the KMP agrees to return previously paid or vested remuneration to the insurer under certain circumstances*.'

4.6.3 Malus & Clawback will be applied under illustrative conditions enumerated below (trigger events):

The malus and clawback clause may be actioned when the Subjected Employees demonstrates behavior involving fraudulent behaviour, moral turpitude, lack of integrity, flagrant breach of Company policies and statutory norms resulting in financial or non-financial losses.

The occurrence of any/some/all of the following conditions/events may trigger a review by the NRC for the application of the Malus or the Clawback arrangement:

4.6.3.1 Acts of willful misconduct or neglect including misconduct pertaining to moral turpitude, theft, misappropriation, corruption, dishonesty, wrongful disclosure of confidential information pertaining to the Company or any of its affiliates, forgery, embezzlement or an act of felonious or criminal nature;

4.6.3.2 Substantial deterioration in key financial metrics viz. drop in the solvency margin below 170% and/or reduction in embedded value by more than 30%. However, the following events shall not be considered as a trigger event for this specific instance:

(i) if the Subjected Employee has informed to the Board of substantial deterioration in key financial metrics to which they have agreed;

(ii) If the substantial deterioration in key financial metrics is attributed to the macroeconomic/ pandemic / force majeure and such other situations outside the control of the Subjected Employee; and

(iii) If the substantial deterioration in key financial metrics is on account of any corporate restructuring of the Company including any merger and acquisition and capital infusion by the Company into its subsidiaries, subject to approval of the Company's Board.

4.6.3.3 Reporting of materially inaccurate financial statements by a Subjected Employee solely with a malafide intent, including fraud, poor non-compliance in respect of corporate governance and regulatory matters;

4.6.3.4 Material failure in risk management controls or material losses due to negligent risk-taking which are attributable to the Subjected Employee actions, whether directly or indirectly;

4.6.3.5 Non-disclosure of material conflict of interest by the Subjected Employee or any misuse of official powers;

4.6.3.6 Fraud of a serious nature by the Subjected Employee that may or may not have any financial implications on the Company;

4.6.3.7 Subjected Employee being found guilty under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013; and

4.6.3.8 An act of willful reckless or gross negligent conduct which is detrimental to the interest or reputation of the Company, monetarily or otherwise.

4.6.4 Criteria to be reviewed before invoking Malus & Clawback

4.6.4.1 In determining the causes for deterioration in financial performance, the NRC may take into consideration the conditions leading to the deterioration, including global market headwinds, changes in legal/regulatory regime, force majeure events such as occurrence of natural disasters and pandemic, industry performance, market, economic, social or other conditions whether in or outside the control of the Company or any Subjected Employee and other relevant factors, in deciding to apply or not apply malus/clawback on none, part or all of the variable compensation of the previous year. However, if a Subjected Employee has apprised the Company's Board/NRC of a trigger event as set out in clause 4.6.3 above along with valid reasons/justification for occurrence of such event, the Company's Board/NRC may at its discretion exempt the Subjected Employee from the application of this clause.

4.6.4.2 While undertaking the review of the Subjected Employee for the application of the Malus or the Clawback arrangement based on any trigger events, the NRC shall be guided by the principles of proportionality, culpability, misconduct and of reasonable proximity or nexus between matters of ability, capability and expertise of the

individual vis-à-vis matters or events outside the control or even nexus of the individual to the events or situations.

4.6.4.3 Prior to taking action and concluding on the events of breaches and which would form part of its decisions, the NRC shall ensure due regard to the process including inquiries or investigations as required and/or adherence to the principles of natural justice.

4.6.4.4 Bonafide error/s of judgment where there is no misconduct, willful or intentional breach by act/ omission or gross negligence or lack of integrity of the concerned individual, may not be treated as breaches under this clause of the Policy.

4.6.4.5 The Board in consultation with the NRC may decide to apply malus on part or all of the unvested deferred portion of the variable remuneration payable to a Subjected Employee or decide to clawback any portion of or all of the benefits that has already been bestowed upon the Subjected Employee. Such clawback shall be given effect in accordance with the applicable laws. The application of malus/clawback clause shall be applicable for a period of 3 years from the date of grant, unless otherwise intimated by the Company to the Subjected Employee (in which case, it shall be more than 3 years) from the date of grant.

4.6.4.6 The criteria/grounds for Malus /Clawback arrangement will be reviewed by the NRC annually.

4.6.5 In compliance with the guidelines issued by IRDAI and to give effect to the arrangement as set out herein in this clause, the Company shall execute necessary documentation with the Subjected Employees which when signed and acknowledged by the Subjected Employee shall form part of his employment agreement with the Company.

4.6.6 This clause will apply to all incentives/variable compensation granted on or after approval and adoption of this policy from October 13, 2023 to Subjected Employees of the Company and shall be subject to the terms of this clause.

4.7 Disclosures

The organization will make disclosure on remuneration of WTDs/MD/CEO/KMPs on an annual basis as outlined in Annexures I/II/III

Further, the organisation will also comply with the key disclosure requirements in the Annual Financial Statements/Company Website/ or to Regulator in required frequency as specified in guidelines issued by IRDAI, Companies Act and SEBI regulations/guidelines, as amended from time to time.

4.8 Review and revision process

i. Any temporary/minor deviations in the policy shall be approved by the MD & CEO
ii. All reviews and amendments to this policy will be approved by NRC

4.9 Annexures

Following additional information has to be certified by Chief Financial Officer and provided to the IRDAI on annual basis by 30th June of the subsequent financial year in the below prescribed formats:

i. Annexure I: Remuneration and other payments made during the Financial Year to MD/CEO/WTD & KMPs
ii. Annexure II: Details of Outstanding Deferred Remuneration of MD/CEO/WTD & KMPs
iii. Annexure III: Details of Remuneration Reduced / Cancelled / Recovered in respect of KMPs during Financial Year

Annexure I

Remuneration and other payments made during the Financial Year to MD/CEO/WTD & KMPs

Amount in Rs. Lakhs

Sl. No.	Name of the MD/CEO/ WTD	Designation	Fixed Pay			Variable Pay						Total of Fixed and Variable Pay (c)+(f)	Amount Debited to Revenue A/c	Amount Debited to Profit and Loss A/c	Value of Joining /Sign on Bonus	Retirement benefits like gratuity, pension, etc. paid during the year	Amount of deferred remuneration of earlier years paid/settled during the year
			Pay and Allowances (a)	Perquisites, etc. (b)	Total (c)=(a)+(b)	Cash components (d)		Non-cash components (e)		Total (f)=(d)+(e)							
						Paid	Deferred	Settled	Deferred	Paid/ Settled	Deferred						
1																	
2																	
3																	
.																	
..																	
	TOTAL																

Annexure II

Details of Outstanding Deferred Remuneration of MD/CEO/WTD & KMPs as at

Sl. No.	Name of the MD/CEO/ WTD	Designation	Remuneration pertains to Financial Year	Nature of remuneration Outstanding	Amount Outstanding (Rs in Lakhs)
1					
2					
3					
..					
..					
	TOTAL				

Date

Place

Signature of CFO

Annexure III

Details of Remuneration Reduced / Cancelled / Recovered in respect of KMPs during Financial Year

Name of the insurer: Date:

Sl. No.	Name of the KMP	Designation	Nature of Remuneration	Whether reduced / cancelled / recovered	Remuneration reduced / cancelled / recovered (Rs in Lakhs)	Reason for reduction / cancellation / recovery of the remuneration (Rs in Lakhs)
1						
2						
3						
..						
..						
..						
..						
	TOTAL					

Date

Place Signature of CFO

Annexure IV

The broad parameters to be considered for the performance assessment of KMPs for FY26–27 are as follows:

i. Overall financial soundness: AUM to total premium, Renewal Business to New Business Premium, Policies Issued/ Policies exited, Expenses of Management as % of total premium, Expected Premium Income, Net Profit, Value of New Business, EVOP etc.
ii. Product and Market Related: Product performance (Individual new business premium, renewal premium), Transparency in product performance, Market share etc.
iii. Claims responsiveness and improvements: Claim settlement TAT, claim settlement ratio etc.
iv. Grievance redressal efficiency: Redressal TAT, Complaints reduction
v. Any regulatory implementation including implementation of accounting standards
vi. Protecting Policyholder outcomes through tracking 13th month and 61st persistency, removal of dark patterns, NPS etc.
vii. People Management: Voluntary attrition control and improving employee engagement
viii. Any other critical parameter deemed necessary by the insurer

The total weightage of IRDAI-mandated KPIs, including any specific weightage prescribed for individual KPIs, shall be adhered to in line with prevailing IRDAI guidelines