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DLF Prime Towers,
Plot No. F-79-80, Okhla
Industrial Area, Phase -I,
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CIN

U65100DL2018PTC445221

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TRILLIONLOANS FINTECH PRIVATE LIMITED

Policy Name	Policy for Compensation of Key Managerial Personnel (KMP) and Senior Management
Policy Version	3.0
Approval Date	26 June 2025
Review	Annual
Owner	Secretarial (Compliance)
Approved by	Board of Directors
Signature	Sd-

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Version History:

Version No.	Revision Date	Revision(s) made	Modified By
V 1.0	14 October 2024	First Time Adoption	Head of Compliance
V 2.0	30 January 2025	Amendment in definition of SMT and ESOPs of Holding Company are included as a part of variable pay	Head of Compliance
V 3.0	26 June 2025	Modification of various sections including amendment in definition of Senior Management Team, inclusion of guaranteed bonus clause etc.	CS and CCO, Compliance

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Preamble:

The provisions of Section 178 of the Companies Act, 2013 ("Act") require certain category of companies to constitute the Nomination and Remuneration Committee ("Committee" or "NRC") consisting of three or more non-executive Directors out of which not less than one-half should be independent directors. Further, Section 178 of the Act and rules framed thereunder require such companies to adopt a policy, relating to the remuneration for the Directors, Key Managerial Personnel ("KMP"), Senior Management Personnel ("SMP") and other Employees.

In this regard, the Reserve Bank of India ('RBI') vide Para 94.2 of the 'Master Direction- Reserve Bank of India (Non-Banking Financial Company- Scale Based Regulation) Directions, 2023' ("RBI SBR Directions") has mandated that NBFCs in Middle Layer are required to constitute a Nomination and Remuneration Committee which should have the

constitution, powers, functions and duties as laid down in Section 178 of the Companies Act, 2013.

The definition of capitalized terms used herein are shared in Annexure 1.

1. Constitution of Nomination and Remuneration Committee (NRC)

- 1.1. The Board of the company has constituted NRC. Its role, scope and constitution are defined in the Internal Guidelines on Corporate Governance and duly approved by the Board.
- 1.2. One of the responsibilities of the NRC is to oversee the framing, review, and implementation of the compensation practices of the organization.
- 1.3. The NRC also ensures 'fit and proper' status of proposed / existing directors (as per the board approved Director's Fit And Proper Criteria Policy) on a continuing basis, i.e. by obtaining a declaration from the Directors is received annually as on 31st March confirming that the information already provided by them has not undergone change and where there is any change, requisite details are furnished by them forthwith., and that there is no conflict of interest in appointment of directors on Board of the company, KMPs and senior management.
- 1.4. Constitution of the NRC shall be reviewed annually by the Board, to be in line with the prescribed requirements under applicable laws, for the time being in force.

2. Principles for Compensation

- 2.1. The Company follows a well-defined policy for compensation. This policy clearly links the performance with the total compensation paid to an individual. This is shared at the start of the year with the KMP and members of senior management team (SMT).
- 2.2. At the end of a financial year, performance of a KMP and SMT is evaluated basis individual,

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business/ function unit's and company's performance. In addition, the individual is also rated on leadership demonstrated during the year.

- 2.3. The compensation of KMP and SMT is periodically benchmarked with a basket of companies, to ensure it is in line with industry best practices and competitive for the talent that we have, and to continue to attract best in class talent to the Company.

2.4. Compensation Components:

- 2.4.1. The total remuneration for KMP and SMT has two main components: Fixed Pay and Variable Pay.
- 2.4.2. Variable pay is further divided into payments made in cash as bonus, and/or ESOPs of the Holding Company

2.5 Principles of Variable pay:

- 2.5.1 Variable pay as a proportion of total remuneration increases as roles and responsibilities increase.
- 2.5.2 Variable compensation may be in the form of share-linked instruments, or a mix of cash and share-linked instruments. The share-linked instruments shall be in conformity with relevant statutory provisions. The KMPs and the SMTs may also be eligible for long term incentive plan in the form of stock options or any other equivalent instruments, if such scheme is available within the Company.
- 2.5.3 The percentage distribution of total remuneration could vary basis roles and responsibility and performance in a given financial year and should be commensurate with the role and prudent risk taking profile of the KMP/SMT. At higher levels of responsibility, the proportion of variable pay shall be higher. There shall be proper balance between the cash and sharelinked instruments in the variable pay compensation in case the variable pay contains share-linked instruments.
- 2.5.4 The variable pay component of remuneration is the performance bonus paid to the KMP and SMT annually taking into account the final performance and leadership review rating for the year.
- 2.5.5 Basis performance at an individual, business-unit and company-wide level, variable pay can be reduced to zero in a given financial year. To do so, performance measures and their relation to remuneration packages shall be clearly defined at the beginning of the performance measurement period to ensure that the employees perceive the incentive mechanism.
- 2.5.6 These aspects ensure compensation outcomes are symmetric with risk and performance outcomes.

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2.6 Deferral of variable pay

- 2.6.1 Of the total variable pay, certain portion as may be decided by the Nomination and Remuneration Committee and Board, shall be deferred to the appropriate time horizon of the risk. This deferral arrangement may be made applicable for both cash and non-cash components of the variable pay. Also, deferral period for such an arrangement may be decided by the Board of the company.
- 2.6.2 So far Company has followed 100% payout of cash component of variable pay (read Annual Bonus) at the end of a performance period.
- 2.6.3 It is now proposed to put in place deferral arrangement. In case of cash variable pay, atleast 30% of the cash Variable pay shall be deferred for minimum 3 (Three) years. In case where cash component is under INR 35 Lakhs, deferral arrangement would not be necessary. Further, Nomination and Remuneration Committee may specify a different threshold below which it will not be deferred.
- 2.6.4 The NRC may change the deferral quantum and period basis industry and regulatory context, company risk context and emerging best practices from time to time.
- 2.6.5 The vesting of deferred cash component of variable pay would continue as per schedule even after separation of the employee from the services of the company except in the event of this separation being on account of Malus or Clawback conditions as defined in clause 3.3.
- 2.6.6 In the event of death or permanent disability of the individual, unvested portions of variable pay will vest immediately except in situations where provisions of Malus / Clawback as defined in clause 3.3. may apply.

2.7 Compensation for Control and assurance function personnel:

- 2.7.1 The goal setting and performance appraisal process of the company as mentioned in Clause 2.2 ensures that KMPs and senior management team members engaged in financial control, risk management, compliance and internal audit have performance measures that are independent of the business areas they oversee and commensurate with their key role in the Company. Accordingly, such personnel could have higher proportion of fixed compensation. However, a reasonable proportion of compensation will be in the form of variable pay, so that exercising the options of malus and/or clawback, when warranted, is not rendered infructuous.
- 2.7.2 The Risk Management Committee and Audit committee of the Board reviews their performance independently and advises the Nomination and Remuneration Committee on their performance, which in turn results in the variable part of their compensation.

2.8 Guaranteed Bonus

- 2.8.1 No amount of bonus can be guaranteed to KMPs and SMTs except for hiring/sign-on bonus to be paid to new hire. The said bonus shall not form part of Fixed or Variable pay.

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3. Provisions for Malus and Clawback: The compensation policy is being amended to include Malus and Clawback clauses (Refer Annexure 1 for definition of Malus and Clawback).

3.1 As a guiding principle, prior to any action being taken by the NRC under this provision, the NRC and the company will ensure due regard for the Principles of Natural Justice.

3.2 The variable pay part of compensation will be subject to Malus and Clawback arrangements in the event of certain circumstances.

3.3 Circumstances under which application of Malus and Clawback is to be considered:

3.3.1 Material breach of company's Code of Conduct, any Non-Disclosure Agreement, regulatory procedures, internal rules and regulations or any other such instance for which the NRC, in its discretion, deems it necessary to apply Malus or / and Clawback provisions.

3.3.2 Fraud, breach of trust, dishonesty, or wrongful disclosure by the employee of any confidential information.

3.3.3 Willful misinterpretation / misreporting of financial performance of the company.

3.3.4 Any misconduct pertaining to moral turpitude, theft, misappropriation, corruption, forgery, embezzlement or of criminal nature.

3.3.5 Non-disclosure of material conflict of interest by the employee or any misuse of official powers.

3.3.6 An act of willful, reckless, grossly negligent conduct which is detrimental to the interest or reputation of the company.

3.3.7 Above events are to be considered by the NRC for application of Malus and Clawback where they result in significant loss to the company or its shareholders.

3.3.8 Circumstances that may trigger Malus or Clawback provisions may be reviewed periodically by the NRC.

3.4 Application of Malus & Clawback provisions

3.4.1 The NRC will review the requirement to invoke the Malus or Clawback provisions in the event one or more of the circumstances come to light.

3.4.2 The review by the NRC will aim to determine involvement, accountability, severity and willful nature of the act of the concerned person/s.

3.4.3 Bonafide errors of judgment will not be subject to Malus provisions.

3.4.4 The provision of a Malus arrangement would entail cancellation of deferred portion of variable pay. The NRC may decide to apply Malus on part, or all of the unpaid cash portion of variable pay, proportionality and impact.

3.4.5 The provision of Clawback arrangement would entail return of already paid variable pay in cash to a given reference year to which circumstances triggering the provisions of Malus

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and Clawback are related.

3.4.6 The NRC may decide to apply Clawback on part, or all of variable pay basis level of involvement, proportionality and impact in the following illustrative scenarios:

- Material Misstatement of the company's financial statement/ results.
- Significant corrosion of financial well-being of the Company.
- Exposing the Company to substantial risk.
- Fraud, breach of trust, dishonesty, or wrongful disclosure by the employee of any confidential information.
- Any other situation where the NRC deems invoking Malus provision is necessary and justified.

3.5 Malus/ clawback clause can be applied for a period of 2 years after the date of grant of Total Variable Pay

4. Date of implementation: This compensation policy will be effective from the date it is approved by the Board.

ANNEXURE 1

Definitions used in the document.

RBI : Reserve Bank of India

KMPs : Key Managerial Personnel as defined under Companies Act, 2013, means:

- the Chief Executive Officer or the Managing Director or the Manager
- Whole time Director,
- Chief Financial Officer &
- Company Secretary of the Company.

SMT : Senior Management Team for purpose of this policy 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 executive directors, including the functional heads

Any other employee heading critical function / business that NRC may include from time to time.

NRC : Nomination & Remuneration Committee

NBFC : Non-Banking Financial Company

Fixed Pay: All fixed items of compensation, this would include

- Monthly fixed salary payable (Basic salary, HRA, special allowance, etc.)
- Perquisites and contributions towards retiral benefits (Employer contribution to PF, NPS, gratuity, etc.)
- All perquisites that are reimbursable (Car lease etc.) and have a monetary ceiling
- Monetary equivalent of benefits of non-monetary nature (Company provided car, Furnished house, etc.)

Variable Pay: All items of compensation that are paid basis performance of an individual and/or the company

- Variable pay is part of the compensation that is paid basis performance measures defined for the performance measurement period.
- It can be reduced to zero based on performance at an individual, business-unit and company-wide level
- Components: (i) Cash as Bonus, (ii) ESOPs of Holding Company

Clawback: As per RBI circular on 'Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs and Banks'

- "A clawback is a contractual agreement between the employee and the NBFC in which the employee agrees to return previously paid or vested remuneration to the NBFC under certain circumstances"

Malus : As per RBI circular on 'Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs and Banks'

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- A malus arrangement permits the organization 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.

Retention Period: As per RBI circular on 'Guidelines on Compensation of Key Managerial Personnel (KMP) and Senior Management in NBFCs' and Banks'

- A period of time after the vesting of instruments which have been awarded as variable pay during which they cannot be sold or accessed.