

Go Digit General Insurance Limited

Remuneration Policy

The Insurance Regulatory and Development Authority of India (IRDAI) has laid down the framework on remuneration of the Non-Executive Directors and Managing Director / Chief Executive Officer / Whole-Time Directors of insurance companies vide its Circular No IRDA / F&A / GDL / LSTD / 154 / 08 / 2016 dated 5th August 2016 (Guidelines). The Companies Act 2013 also requires the Nomination and Remuneration Committee ("NRC") of the Company shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

This Remuneration Policy ("Policy") sets out all the aspects of the Remuneration structure of the Non-Executive Directors and Managing Director / Chief Executive Officer / Whole-Time Director (MD/CEO/WTM), Key Managerial Personnel (KMP) and other employees of the Company.

A. Remuneration to Non-Executive Directors:

1. The Remuneration to Non-Executive Directors shall be as per the provisions of guidelines issued by IRDAI and Companies Act 2013.
2. The Board shall approve payment of sitting fees to the Non-Executive Directors based on the recommendation of the NRC and may reimburse their expenses for participation in the Board or other meetings. The Board can decide to pay sitting fees only to Independent Directors.
3. Any other payment to the Non-Executive Directors shall be as per the approval of the Board.

B. Remuneration to MD/CEO/WTM:

Remuneration

1. The Remuneration of the MD/ & CEO shall be competitive vis-a-vis other insurers in the market.
2. Salary revisions shall be done annually after considering relevant factors such as performance of the MD & CEO, inflation, trends in financial services industry, market benchmarks, etc.
3. The Nomination and Remuneration Committee (NRC) shall recommend any revisions for approval of the Board.
4. Any payment to MD/CEO/WTM shall be made as per approval granted by IRDAI.

Reimbursements of expenses incurred for official purposes, as per company policy shall not be included in Remuneration.

The Board may also grant Employee Stock Appreciation (ESAR) of the Company/any group Company. These shall be compliant with the SEBI guidelines governing ESARs. ESAR's shall not be considered as part of remuneration, however the extent of ESAR's should be reasonable. The details of ESAR's granted should be disclosed in Annual Report.

Variable Pay (Annual bonus)

1. These are variable amounts
2. Annual bonus is ascertained and paid each year as approved by the Board.
3. Targets shall cover quantitative measures including growth, profitability and cost control.

Risk adjustment: Apart from the above, qualitative risk factors such as solvency, claims settlement, grievance redressal, expenses of management, claim repudiation, overall compliance status, overall financial position and such other parameters as the NRC feels relevant for each year, may also be considered in the evaluation.

Additional compliances:

1. Where a person is newly recruited as MD/CEO/WTB, the Company may offer such increase as it deems fit, over the existing salary to make the total package comparable to the market benchmarks
2. The Board, on recommendation of the NRC, may offer joining or sign-on bonuses, as maybe applicable.
3. The severance pay (apart from accrued benefits like gratuity, notice pay etc), if any, shall be paid to MD/CEO/WTB after approval from the Board.
4. No remuneration shall be paid to MD/CEO/WTB by any of the promoters or group companies of promoters.
5. Disclosures regarding remuneration etc as mandated by IRDAI shall be made in the Annual Report.
6. All payments shall be subject to the extant guidelines of the IRDAI and provisions of law and further subject to approval of the IRDAI. The maximum amount that may be debited to Policyholders' account shall be as specified by regulations/guidelines/circulars issued by IRDAI from time to time.

C. Remuneration to KMP and other employees:

1. The level and composition of remuneration to KMPs and other employees should be reasonable and sufficient to attract, retain and motivate employees of the quality required to run the Company successfully.
2. Relationship of remuneration to performance should be clear and meet appropriate performance benchmarks.
3. Remuneration to KMP and Senior Management should involve a balance between fixed and variable / incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
4. Employees shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs and as per the grades assigned, if any.
5. The Board may also grant Employee Stock Option Plans (ESOP) of the Company/any group Company. These shall be compliant with the SEBI guidelines governing ESOPs. ESOP's shall not be considered as part of remuneration, however the extent of ESOP's should be reasonable. The details of ESOP's granted should be disclosed in Annual Report.

D. Components of remuneration

1. Fixed Remuneration consisting of salaries and allowances, perquisites, employer's contributions to PF, superannuation and other retiral benefits
2. Annual Variable remuneration
3. Any other benefit as may be recommended by the NRC and approved by the Board from time to time.

The division of the fixed and variable is as per the below structure:

| Band* | Fixed | Variable |
|--------------|--------------|-----------------|
| G1 | 90% | 10% |
| G2 | 90% | 10% |
| G3 | 85% | 15% |
| G4 and above | 80% | 20% |

4. Fixed component gets paid each month. The remaining amount gets paid bi-annually.
5. Employees who have been rated A+ and A, stands a chance to earn additional variable amount over and above the amount defined in their offer letter.
6. The increment & variable Pay-out does not include those employees serving their notice.
7. Exception, if any, has to be approved by the Head-HR and respective Department Head.

E. Criteria for determining qualifications, positive attributes & independence of Director

1) Qualifications of Director

A Director shall possess appropriate skills, knowledge or expertise in one or more fields of finance, economics, insurance, law, management, sales, marketing, administration, research, CSR, corporate governance, technical operations or other disciplines related to the Company's business with qualifications and experience that is appropriate to the Company.

2) Positive attributes of Directors

- i) A Director shall be a person of integrity, who:
- ii) possesses relevant expertise and experience;
- iii) upholds ethical standards of integrity and probity.
- iv) acts objectively and constructively while exercising his duties;
- v) exercises his/her responsibilities in a bona-fide manner in the interest of the Company;
- vi) devotes sufficient time and attention to his/her professional obligations for informed and balanced decision making; and
- vii) assists Company in implementing the best corporate governance practices.

3) Independence of Independent Directors

An Independent Director should meet the requirements of the Companies Act, 2013 concerning independence of Directors.

Review:

NRC shall have the oversight on implementation of this policy and shall recommend to the Board changes if any in the policy. The Board shall have the authority to review this policy annually and make any modifications.