



Generali Central Insurance Company Limited

Nomination and Remuneration Policy

(Version [6])

DOCUMENT SUMMARY

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Change Log

Sr. No.	Roll out / Effective Date	Prepared/ revised by	Approved by	Purpose of Adoption/Revision
1	March 24, 2015		Board of Directors	Adopted
2	November 25, 2016		Board of Directors	The policy is revised as per the Guidelines on Remuneration of Non-executive Directors and Managing Director/Chief Executive Officer/Whole-time Directors of Insurers vide notification ref. no. IRDA/F&A/GDL/LSTD/155/08/2016 dated August 05, 2016 issued by IRDAI.
3	September 30, 2023	Mr. Sunil Wariar/ Mr. Akshaya Kashyap	Board of Directors (vide Circular resolution no 4/2023-24)	This Policy is revised in line with IRDAI (Remuneration of Non-Executive Directors of Insurers) Guidelines, 2023 and IRDAI (Remuneration of Key Managerial Persons of Insurers) Guidelines, 2023
4	July 30, 2024		Board of Directors	The policy is revised to align the same with the provisions laid down in IRDAI (Corporate Governance for Insurers) Regulations, 2024 read with Master Circular on Corporate Governance for Insurers in India, 2024.
5	November 13, 2024	Mr. Akshaya Kashyap	Board of Directors	The policy is revised to align the same with the provisions laid down in IRDAI (Corporate Governance for Insurers) Regulations, 2024 read with Master Circular on Corporate Governance for Insurers in India, 2024.
6	July 16,2026	Ms. Kriti Anam	Board of Directors	The policy is revised to align to applicable provisions of IRDAI (Corporate Governance for Insurers) Regulations, 2024 and Master Circular on Corporate Governance for Insurers, 2024 (as amended or

				supplemented until the Effective Date), and incorporate GRIP (as it applies to the MD and CEO).
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REGULATORY REFERENCES

- Companies Act, 2013;
- Insurance Act, 1938;
- Insurance Regulatory and Development Authority of India (Corporate Governance for Insurers) Regulations, 2024 (hereinafter referred to as “**IRDAI Regulations**”);
- Master Circular on Corporate Governance for Insurers, 2024 (hereinafter referred to as “**Master Circular**”) as amended by the IRDAI Circular Ref. IRDAI/F&I/CIR/MISC/72/5/2026 dated 25 May 2026 on Remuneration to Key Management Persons (KMPs).

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1. INTRODUCTION AND APPLICABILITY

Pursuant to Section 178 of the Companies Act, 2013 read with applicable rules and such applicable regulations issued by the Insurance Regulatory and Development Authority of India (“**Authority**”) from time to time, the Company is required to adopt a policy on nomination and remuneration of Directors and Key Managerial Personnel (“**KMP**”). This Nomination and Remuneration Policy (“**Policy**”) of the Generali Central Insurance Company Limited (“**Company**”) has accordingly been formulated by the Nomination and Remuneration Committee in accordance with the provisions of the Companies Act, 2013 read with the provisions of the IRDAI Regulations and the Master Circular (hereinafter collectively referred to as the “**IRDAI Regulations**”), duly approved by the Board of Directors of the Company (“**Board**”). This Policy shall be subject to compliance with all other regulatory provisions, as may be applicable from time to time.

This policy shall be applicable to all Directors (including executive directors, non-executive directors (“**NEDs**”) and independent directors) on the Board of the Company and KMPs of the Company as defined in this Policy.

The Company is a group entity of Assicurazioni Generali (“**Generali Group**”), a multinational insurance group. As a group entity of the Generali Group, the Company is subject to the Group Remuneration Internal Policy of the Generali Group (“**GRIP**”), as updated from time to time. The GRIP sets out the overarching remuneration philosophy, principles, and governance framework applicable across all subsidiaries and affiliates of the Group globally. The GRIP is set out in Annexure C to this Policy.

Applying the criteria set out in the GRIP in relation to the target population of the Company to whom the GRIP applies, the GRIP shall apply only to the Managing Director and Chief Executive Officer (who is a Whole-Time Director) of the Company.

The Policy will be applicable from date of Board meeting (i.e., July 16, 2026) onwards.

2. DEFINITIONS

1. **Board** means Board of Directors of the Company.
2. **Clawback** means return of previously paid or vested Variable Pay to the Company.
3. **Company** means Generali Central Insurance Company Limited.
4. **Director** means a director appointed on the Board of the Company.
5. **Fixed Pay** shall include basic pay, allowances, perquisites, contribution towards superannuation/ retirement benefits and all other fixed items of remuneration.
6. **Independent Director** means a director referred to in Section 149(6) of the Companies Act, 2013.
7. **Key Managerial Personnel** means, as defined in the IRDAI (Registration, Capital Structure, Transfer of Shares and Amalgamation of Insurers) Regulations, 2024, the following:
 - (i) Chief Executive Officer (CEO) or the Managing Director (MD) or the Manager;
 - (ii) Company Secretary,
 - (iii) Whole-time Director;
 - (iv) Chief Financial Officer;
 - (v) Appointed Actuary;
 - (vi) Chief Investment Officer;
 - (vii) Chief Risk Officer;
 - (viii) Chief Compliance Officer; and
 - (ix) members of core management team including functional heads one level below Managing Director or Chief Executive Officer.
8. **Malus** means the prevention of vesting of all or part of the amount of deferred remuneration of a KMP. It is clarified that Malus does not reverse vesting after it has already occurred.
9. **Nomination and Remuneration Committee or Committee** shall mean a Committee of the Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.
10. **Remuneration** means any money or its equivalent given or passed on to a KMP for the services rendered by him/her, and includes perquisites as defined under the Income-tax Act, 2025.
11. **Share Linked Instruments** means (i) employee stock option schemes; (ii) employee stock purchase schemes; (iii) stock appreciation rights schemes; or (iv) Cash linked stock appreciation rights (CSARs). Share Linked Instruments shall be offered in compliance with applicable laws, and reckoned at fair value as on the date of the grant and norms for valuation shall be framed by the Committee / Board in conformity with applicable law and guidelines and shall

be deemed to form part of this Policy.

12. Variable Pay means financial compensation over and above fixed pay, including cash bonus / incentive and/or Share Linked Instruments given based on performance (including measures of individual, unit or group performance).

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the IRDAI Regulations and guidelines, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

3. OBJECTIVE

The primary objective of the Policy is to provide a framework and set standards for the nomination, remuneration and performance evaluation of the Directors and KMPs of the Company, including the MD/CEO and Executive Directors. The Company aims to achieve a balance of merit, experience and skills amongst its Directors and KMPs. The Policy covers all aspects of the remuneration structure, including Fixed Pay (including allowances, perquisites, and retirement benefits), Variable Pay (including incentives, bonus, Share Linked Instruments, joining / sign on bonus, etc). The Policy aims to prevent KMPs from taking inappropriate or excessive risks in pursuit of performance-based variable remuneration.

The Policy also aims to strengthen the remuneration structure of the Board and ensure that all Directors are appropriately remunerated based on the recognized principles of sound remuneration practices by the Company, i.e.:

1. effective governance of remuneration – active Board oversight;
2. effective alignment of remuneration to prudent risk-taking; and
3. effective supervisory oversight and engagement by stakeholders.

Further, any appointment of employees reporting to MD and CEO (other than KMPs) shall be placed before the Committee/Board for its noting. The appointment of KMPs shall be recommended by the Committee and approved by the Board.

4. FIT AND PROPER

The Directors should at all times meet the “Fit and Proper” criteria as given below:

- a) **Expertise:** The Director should possess adequate expertise relevant to the responsibilities assigned. Such expertise must include a combination of theoretical knowledge acquired through education and formal training and practical experience gained through previous or current professional roles. The experience should span in more than one of the following areas:
 - (i) Financial markets
 - (ii) Insurance, banking, and financial sector regulation
 - (iii) Strategic planning
 - (iv) Organizational and corporate governance structures
 - (v) Risk management

- (vi) Internal control systems and other operational mechanisms
- (vii) Insurance, banking, and financial activities and products
- (viii) Statistical and Actuarial sciences
- (ix) Accounting and financial reporting
- (x) Computer technology

b) Independence:

- (i) Every Director shall act with full independence of judgement and awareness of the duties and rights involved in his/her office in the interest of the sound and prudent management of the Company and in compliance with the applicable laws.
- (ii) The Independent Directors of the Company are at all times expected to meet the criteria of independence as prescribed under Section 149 of the Companies Act, 2013. In case the status of their independence is affected due to any reason, they are expected to inform the Company immediately.

c) Time and Commitment:

The Directors should always comply with the requirements of the maximum Directorship and Committee membership as prescribed under the provisions of the Companies Act, 2013, the Insurance Act, 1938, IRDAI Regulations, Master Circular and such other applicable laws.

5. ACCOUNTABILITY

1. The Board is ultimately responsible for the appointment of Directors and KMPs. The Board shall also oversee the effective implementation of the Policy, in a manner which does not induce excessive or inappropriate risk taking, is in line with the corporate culture, objectives, strategies, identified risk appetite and long term interest of the Company and which gives due regard to the interests of its policyholders and other stakeholders.
2. The Board has delegated responsibility for assessing and selecting the candidates for the role of Directors and KMPs of the Company to the Nomination and Remuneration Committee which makes recommendations and nominations to the Board.
3. The Board should ensure that the potential for conflicts of interest that may compromise the integrity and objectivity of the staff involved in control functions should also be managed. It shall always be ensured that the overall Variable Pay as well as the annual salary increment of control function staff would be based on the performance on functional objectives and goals and shall not be based on the performance of business units which are subject to their control and/or oversight.
4. The Board shall ensure the independence of the control functions from business operations and this should be demonstrated by a credible reporting arrangement.

6. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee would be primarily responsible for:

1. Reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with the objective to diversify the Board;
2. Identifying individuals suitably qualified - i.e., who meet the "fit and proper" criteria, to be appointed as KMPs or Directors of the Company. The criteria to be satisfied, at a minimum, would relate to integrity demonstrated in personal behaviour and business conduct, soundness of judgment and financial soundness. The fit and proper requirements seek to ensure that the KMPs/Directors should not have been convicted or come under adverse notice of the laws and regulations involving moral turpitude or of any professional body;
3. Providing recommendations to the Board on the selection of individuals nominated for directorship;
4. Scrutinizing the declarations of intending applicants before the appointment/reappointment / election of Directors by the shareholders at the General Meetings;
5. Providing recommendations to the Board on the remuneration payable to the Directors/ KMPs so appointed/ reappointed;
6. Assessing the independence of independent directors;
7. Any other key issues/matters as may be referred to the Committee by the Board or as may be necessary in view of the joint venture agreement and/or shareholders agreement and provisions of the Companies Act, 2013 and Rules notified thereunder pertaining to Nomination and Remuneration matters;
8. To make recommendations to the Board concerning any matters relating to the continuation in office of any KMP or termination of service of any KMP;
9. To obtain an annual declaration from the Directors/ KMPs that the information provided in the declaration at the time of appointment/ reappointment has not undergone any change subsequently and to ensure that changes, if any, are apprised by the concerned Director to the Board;
10. To ensure that the level and composition of remuneration is reasonable and sufficient, and the relationship between remuneration and performance is clear and meets appropriate performance benchmarks;
11. To develop a succession plan for the Board and implement it in a smooth manner;
12. To review and assess the adequacy of the Policy from time to time and perform annual self-evaluation of the performance of the Nomination and Remuneration Committee of the Company and performance of Board members and KMPs;

- 13.** To ensure that the members of the Board/Committee are not placed in a position of actual or perceived conflict of interests with respect to remuneration decisions. In case of any remuneration discussion/decision of directors and/or KMP, it shall be ensured that the concerned director and/or KMP shall not participate in the discussion/voting of the resolution. The Committee may constitute processes and checks to identify and eliminate any potential conflict of interest from time to time;
- 14.** To ensure that remuneration is aligned to policyholder outcomes.
- 15.** To identify the list of KMPs as per the requirements of IRDAI Regulations and to review such list at regular intervals, as required;
- 16.** Reviewing remuneration criteria and the Policy (and ensuring such review by the Board) as and when required, but at least on an annual basis;
- 17.** Ensuring that there is an appropriate induction and training programme in place for new Directors and KMPs and reviewing its effectiveness;
- 18.** Setting up a formal and transparent procedure for selecting new Directors for appointment to the Board;
- 19.** Delegating any of its powers to one or more of its members or the Secretary of the Committee, in line with the powers vested in the Committee by the Articles of Association of the Company;
- 20.** Scrutinizing the applications and details submitted by aspirants for appointment as KMPs and making independent/discreet references, where necessary, to timely verify the accuracy of the information furnished by the applicant;
- 21.** Acting on behalf of the Board and shareholders of the Company to determine the policy for remuneration for the CEO, Executive and Non-Executive Directors, and KMPs, in accordance with the applicable framework;
- 22.** Ensuring that remuneration packages of KMPs of the Company align with the Policy;
- 23.** Ensuring that the proposed appointments/ re-appointments of KMPs or Directors are in conformity with the Company's Board approval as per Annexure B for retirement/superannuation;
- 24.** Conducting due diligence before recommending appointment of a person as a Managing or Whole-time Director; and
- 25.** Considering any other matters as may be requested by the Board.

Delegation: For the purpose of executing the abovementioned requirements, the Committee may delegate any of its responsibilities mentioned under this Policy to the Chief People and Organization Officer/any other member for carrying out necessary tasks and require such member to report to the Committee within the timelines intimated by the Committee at the time of such delegation. The Committee must ensure that the member undertaking the delegated activities

does not have any conflict of interest and for this purpose, the Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this Policy as considered appropriate.

The Committee in consultation with the Risk Management Committee of the Company will make a coordinated effort to have an integrated approach to the formulation of this Policy.

7. APPOINTMENT OF DIRECTORS AND KMPs

1. Enhancing the competencies of the Board and attracting as well as retaining talented employees for role of KMPs/a level below KMP are the basis for the Committee to select a candidate for appointment to the Board. When recommending a candidate for appointment, the Committee must consider the following criteria:

- a) Assessing the appointee against a range of criteria which includes but is not limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits from diversifying the Board;
- b) The extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing directors and enhance the efficiencies of the Company;
- c) The skills and experience that the appointee brings to the role of KMP and how an appointee will enhance the skill sets and experience of the Board as a whole;
- d) The nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;

2. Personal specifications:

- a) Degree holder in relevant disciplines;
- b) Experience of management in a diverse organization;
- c) Excellent interpersonal, communication and representational skills; -
- d) Demonstrable leadership skills;
- e) Commitment to high standards of ethics, personal integrity and probity;
- f) Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace;
- g) Continuous professional development to refresh knowledge and skills.

For further details of the personal specifications, refer to **Annexure A** hereto.

3. The process for appointing Directors and KMPs will also be subject to the following:

- a) Before recommending any individual for appointment as a Director or KMP, including the Managing Director (MD), Chief Executive Officer (CEO), or Whole-time Director (WTD), the Nomination and Remuneration Committee shall undertake due diligence to ensure that the appointee meets the 'fit and proper' criteria. This assessment will consider the individual's integrity, demonstrated in personal behaviour and business conduct, soundness of judgment, and financial soundness. The Committee will scrutinise applications and details submitted by aspirants for KMP positions and may make independent inquiries to verify the accuracy of the information provided.
 - b) Any declaration as may be required under applicable law will be obtained from proposed/existing Directors at the time of their appointment/re-appointment. The personal specifications for Directors, as detailed in Annexure A of this Policy, align with the 'fit and proper' criteria.
 - c) For KMPs, a declaration as required under applicable law will be obtained prior to their consideration for appointment.
4. The Committee, after conducting due diligence and ensuring adherence to the 'fit and proper' criteria, will recommend suitable candidates for Director and KMP positions to the Board for their approval. In respect of the appointment or re-appointment of, or any modification in the remuneration of, the MD/CEO/WTD, the recommendation of the Board shall be submitted to the Authority for its prior approval. The proposal for approval of the Authority for the appointment of MD/CEO/WTD shall be in the format required under applicable law, and shall be in compliance with this Policy.
 5. The Committee will maintain the particulars of the Company's KMPs in the format prescribed under the IRDAI Regulations and the Companies Act, 2013, separately for each KMP, as and when there is an appointment/ change in the individual person holding the position of KMP.
 6. Any intimation of appointment/ reappointment/ change of any KMP shall be filed with the Authority within 30 days from the date of such person taking over the position of 'Key Management Person'.
 7. The Company shall, within a period of 30 days, notify the Authority in the event of any position of 'Key Management Person' falling vacant, with the details of the person who will officiate in that position.
 8. In the event of vacancy in the office of any 'Key Management Person', the Committee shall initiate action for filling up of such vacant positions on a priority basis. The position of any 'Key Management Person' shall not remain vacant for a continuous period of more than 180 days.
 9. The Company shall submit an annual compliance certificate in the format required under applicable law with regard to appointment and reporting of KMPs to the Authority.
 10. The Company shall ensure that KMPs shall not simultaneously hold more than one position in the Company that could lead to conflict or potential conflicts of interest such as 'business and control function' or 'two control functions'.

11. The Company shall ensure that all KMPs are employed pursuant to a valid contract of employment, in accordance with applicable law, including the IRDAI Regulations, the Master Circular and provisions of the Companies Act, 2013.
12. Apart from the above, candidates for Independent Directors on the Board should comply with the criteria for independence as stipulated in the Companies Act, 2013 and the IRDAI Regulations. Such candidates should also comply with other applicable regulatory requirements relating to independence and/or as may be laid down by the Committee / Board from time to time.
13. The Committee shall identify an appropriate mix of Independent, Non-Executive and Executive Directors to meet the criteria as set out in the IRDAI Regulations and other applicable laws.

8. LETTER OF APPOINTMENT

Each Director is required to sign the Deed of Covenant with the Company containing the terms of appointment and the role assigned in the Company.

9. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

1. The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors and KMPs.
2. The Directors and KMPs' salary shall be determined based on the individual person's responsibilities and performance and in accordance with the limits as prescribed under the Companies Act, 2013 read with the provisions of the IRDAI Regulations and Master Circular.
3. The Committee shall determine individual remuneration packages for Directors and KMPs of the Company at the time of appointment, taking into account factors it deems relevant, including but not limited to market performance, business performance, individual performance and practices in comparable companies, having due regard to financial and commercial health of the Company as well as prevailing laws and government/other guidelines. The Committee may consult the Chairperson of the Board in appropriate cases if it deems necessary. Remuneration of the Chairperson shall be recommended by the Committee to the Board of the Company.
4. For MD/CEO/Whole-Time Directors, the remuneration shall not be modified before expiry of one year from the date of the Authority's previous approval. Upon receipt of the Committee's recommendation, the Board will pass a resolution for such change in remuneration or any appointment/re-appointment, which will be subject to the Authority's approval.
5. The remuneration of NEDs, Whole Time Directors/CEO/MD and other KMPs shall be determined in strict accordance with the principles and rules laid down in **Annexure B** hereto.
6. The remuneration of the KMPs who are on deputation from the Company's foreign promoter(s) will be governed separately by their respective remuneration rules/guidelines. However, in case of deputations from Foreign Promoters, the cost may be borne by their respective promoters according to their remuneration rules/guidelines. Such KMPs do not form a part of this

Policy.

10. REMUNERATION MATTER(S) RELATED DUTIES OF THE COMMITTEE:

The duties of the Committee in relation to remuneration matters include:

1. To consider and determine the Remuneration, based on the principles of (a) risk considerations, (b) pay for responsibilities, (c) pay for performance and potential and (d) pay for growth, and to ensure that the remuneration fixed is reasonable and sufficient to attract, retain and motivate the members of the Board and KMPs;
2. To take into account affordability of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, etc.;
3. To bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and its shareholders;
4. To consider other factors as the Committee shall deem appropriate for elements of the remuneration of the members of the Board and KMPs and ensure compliance of provisions of Companies Act, 2013, IRDAI Regulations and other applicable laws including guidelines/regulations issued by the Authority from time to time; and
5. To ensure that a balance is maintained between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company in the remuneration of KMPs;
6. To consider any other matters as may be requested by the Board; and
7. Consideration of professional indemnity to Directors.

11. GENERAL:

Any and all provisions of this Policy are subject to any relevant revisions/amendments to the Companies Act, 2013, the Insurance Act, 1938 and/or the IRDAI Regulations and any other provisions of applicable law.

Annexure A

Personal Specification for Directors

1. Qualification

- Degree holder in relevant disciplines (e.g. management, accountancy, legal);
or
- Recognised specialist.

2. Experience

- Experience of management in a diverse organization
- Experience in accounting and finance, administration, corporate and strategic planning or fund management;
- Demonstrable ability to work effectively in or with a Board of Directors.

3. Skills

-
- Excellent interpersonal, communication and representational skills;
- Demonstrable leadership skills;
- Extensive team building and management skills;
- Strong influencing and negotiating skills; and
- Continuous professional development to refresh knowledge and skills

4. Abilities and Attributes

- Commitment to high standards of ethics, personal integrity and probity
- Commitment to the promotion of equal opportunities, community cohesion and health and safety in the workplace

Annexure B

I. REMUNERATION TO NON-EXECUTIVE DIRECTORS

- (a) The NEDs of the Company shall be entitled to remuneration (excluding remuneration for attending meetings as prescribed under Section 197(5) of the Companies Act, 2013 read with Schedule V to the said Act, subject to compliance with applicable provisions of IRDAI Regulations, read with Master Circular and approvals, if any, required). It is clarified that such remuneration shall not exceed an amount of Rs. 30 lakhs per annum (Rupees Thirty Lakhs) for each such Director (excluding the Chairperson and Executive/Whole Time Directors). The remuneration shall be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or Shareholders in the General Meeting, as required under the Companies Act, 2013.
- (b) If the Chairperson of the Company is an NED, the remuneration may be decided by the Board of the Company. The remuneration of the Chairperson shall be subject to prior approval by the Authority.
- (c) NEDs shall not be eligible for any share-linked benefits. Further, no share-linked benefits shall be offered to Non-Executive Directors even by virtue of their position in any of the group entities.
- (d) In addition to the above, the Company shall pay sitting fees to the NEDs and also reimburse expenses incurred by them for participating in the Board and other Committee Meetings, subject to compliance with the provisions of Companies Act, 2013.
- (e) Any remuneration paid to NEDs for services rendered which are professional in nature shall not be considered as part of the remuneration for the purposes of clause (a) above if the following conditions are satisfied:
 - (i) the services are rendered by such Director in his capacity as the professional; and
 - (ii) in the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- (f) The Company shall disclose the amount of remuneration paid to each Non-Executive/ Independent Directors, in the Notes to the Accounts forming part of annual financial statements. In case no remuneration is paid during a year, the same shall be specifically disclosed.

II. AGE LIMIT AND TENURE OF NON-EXECUTIVE DIRECTORS

- (a) The maximum age limit for NEDs, including the Chairperson of the Board, shall be 75 years and after attaining the age of 75 years, no person shall continue on the Board
- (b) The appointment and tenure of Independent Directors shall be governed by the provisions of the Companies Act, 2013 and IRDAI Regulations read with the

III. REMUNERATION TO KMPs (INCLUDING MD & CEO AND EXECUTIVE DIRECTORS)

1. APPLICABLE ONLY FOR PAYMENT OF REMUNERATION FOR MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER/WHOLE-TIME DIRECTORS

- (a) As the Company is a group entity of the Generali Group, the GRIP set out in Annexure C shall apply to the MD and CEO. In addition to the GRIP, the remuneration of the Managing Director/Chief Executive Officer/Whole Time Directors shall be governed by the regulatory regime for insurers in India, including but not limited to:
 - (i) the Companies Act, 2013 and rules made thereunder;
 - (ii) the Insurance Act, 1938 (including Section 34A to the extent relevant, which requires prior approval of the Authority for appointment, re-appointment, and remuneration) read with rules made thereunder;
 - (iii) the IRDAI Regulations; and
 - (iv) the Master Circular.
- (b) If there is a conflict between requirements under Applicable Laws, regulatory requirements, documented requests raised by relevant supervisory authorities or collective labor agreements and the GRIP, or in presence of issues in terms of proportionality or considerations requiring the GRIP provisions to be calibrated as it applies to the Company, the Chief People and Organisation Officer team will raise a waiver and dispensation request in the manner set out in the GRIP, and feedback will be provided. Where any dispensation request arises from conflicts between GRIP and Applicable Laws, the compliance team of the Company shall provide their evaluation of the conflict.
- (c) Without prejudice to the generality of the paragraph above and only for the avoidance of doubt, the requirements under Applicable Laws (as described in paragraph II) (Applicable for all KMPs (including MD and CEO), the IRDAI Regulations and the Master Circular shall be taken into account while structuring and approving the compensation of the CEO and Managing Director.
- (d) Applications relating to the appointment or reappointment of MD/CEO/WTM may be submitted to the Authority at least six months in advance from the expected date of taking over by the new incumbent or the last day of the present incumbent's tenure, in the manner prescribed under applicable law.
- (e) The remuneration proposals are to be submitted to the Authority within the first three months of the performance year.

2. APPLICABLE FOR ALL KMPs (INCLUDING MD/CEO/ED)

- (a) The remuneration payable to MD/CEO/WTDS/KMPs shall be subject to the following principles:
 - (i) Remuneration shall be aligned to policyholder outcomes;
 - (ii) Remuneration shall be adjusted for all types of risks;
 - (iii) Remuneration outcomes shall be symmetrical with risk outcomes;
 - (iv) Remuneration payouts shall be sensitive to the time horizon of risk; and
 - (v) The mix of cash and equity will be consistent with risk alignment.
- (b) The Company may, in the manner it deems fit, use various measures of risks including credit, market and liquidity risks etc. in the implementation of the risk adjustment. The risk adjustment methods may be both quantitative and qualitative in nature and the same may be decided by the NRC in consultation with the Risk Management Committee.

The Company shall define the parameter which shall be taken into account for determination of performance management for KMPs to be aligned with the Master Circular and inputs received from the Authority from time to time.

Annual Remuneration:

The annual remuneration shall be the aggregate of Fixed Pay (including monetary and non-monetary perquisites) and Variable Pay, for a particular financial year:

- (i) **Fixed pay** – Fixed pay of the remuneration shall be in adherence with all statutory requirements, reasonable taking into account all relevant factors and will consist of elements like Basic Salary, Allowances, Perquisites as defined under the Income-tax Act, 2025, contribution towards retires and all other fixed items of compensation.
- (ii) **Variable Pay** – It includes incentives, bonus, Share Linked Instruments etc. given on the basis of performance against KPIs.
- (iii) **Composition of Variable Pay**
 - 1) The Company will ensure that there is a proper balance between Fixed Pay and Variable Pay.
 - 2) Variable pay shall be in the form of Share Linked Instruments or a mix of cash and Share Linked Instruments.
 - 3) KMPs of the Company shall not be issued/granted sweat equity shares.
 - 4) Any Variable Pay or performance incentive shall be paid/granted to KMP only once during a financial year.

(iv) Limits of Variable Pay

At least 50% of Fixed Pay, or any other limit as mentioned in the IRDAI Regulations, amended from time to time, or allowed by the Authority will be variable and paid based on individual, business unit, and Company performance. The total Variable Pay shall not exceed 300% of the Fixed Pay, or any other limit as mentioned in the IRDAI Regulations, as amended from time to time or allowed by the Authority.

- 1) In the event that the Variable Pay is up to 200% of the Fixed Pay for a KMP, a minimum of 50% of the Variable Pay shall be via Share Linked Instruments. The same limit would be 70%, in case the Variable Pay is above 200% of the Fixed Pay.
- 2) Any deterioration in the financial performance of the Company or deviation in the defined parameters under this Policy shall result in a reduction in the total amount of Variable Pay, which may extend up to zero. The other parameters for this purpose shall be determined at the discretion of the Committee from time to time, based on the prevailing circumstances, in alignment with the approved business plan of the Company and/or any external factors or situations having a wider impact, including but not limited to adverse macroeconomic conditions, regulatory or legislative changes, industry-wide disruptions, market volatility, geopolitical events, pandemics, or any other force majeure events
- 3) In case the actual expenses of management of the Company exceeds by 10 percent or more of the projected expenses of management levels (as per the business plan formulated in terms of Regulation 5 of the IRDAI (Expenses of Management, including Commission, of Insurers) Regulations, 2024), no Variable Pay shall be payable to MD/CEO/WTG/KMPs for the said financial year.

(v) Key Performance Indicators for Variable Pay (KPIs)

The parameters for determination of performance assessments for payment of variable pay to KMPs are:

- 1) Variable Pay shall be in the form of “pay at risk”, and shall be based on the performance against KPIs and subject to approval by the Board for the MD/CEO;
- 2) The Company shall take into account the group’s Key Performance Indicators while adhering to the minimum KPIs specified under the applicable provisions of IRDAI Regulations read with Master Circular for performance assessment of all KMPs for payment of Variable Pay;
- 3) In addition to the above, the Committee may from time to time specify such other KPIs as they may deem fit in the context of making a fair performance evaluation taking into account new regulations, economic and business climate, retention of talent in the context of reward and remuneration and the prevalent market practices;
- 4) The Board shall be responsible for the recommendation of the

appointment, remuneration, performance and oversight of the work for all control functions.

- 5) The weightage for the parameters in the performance assessment matrix of KMP's of control functions shall be independent of business plan of the Company.
- 6) The KPIs mentioned hereunder above shall be used as an input for determining fixed pay increments as well.

The minimum parameters to be mandatorily taken into account for determination of performance assessment of all KMPs for payment of Variable Pay or incentives and for the purpose of the mandatory disclosure under Paragraph 3(g) below are as set out in paragraphs (7) to (12) below. The Company will also take into account such other parameters as may be prescribed by the Authority and applicable for a particular performance year from time to time.

- 7) Overall financial soundness and improvements thereof, and in the case of the Company as a General and Standalone Health Insurer:
 - (i) Line-wise net incurred loss ratio;
 - (ii) Line-wise 'renewal premium' to 'new business premium' ratio; and
 - (iii) 'Expense of management' to 'gross direct premium' ratio.
- 8) Products' performance and improvements thereof: The disclosure of products' performance shall entail the following:
 - (i) Features¹, premium², performance³ and returns⁴ of all products collectively contributing 90% of new or renewal premium; and
 - (ii) Display of Board-approved policies (being the current set of policies and the previous two versions) for commission payments (average and maximum for each product or line of business), product approvals, and anti-fraud measures.
- 9) Claim responsiveness and improvements thereof, the disclosure of which shall include:
 - (i) proportion of claims settled (in full or in part or repudiated, rejected, or closed) within 15 days, 30 days, 60 days, and beyond, from the date of filing of the claims (not when full documents are submitted, which will be the responsibility of the Company to facilitate the policyholder), and remaining unsettled

¹ "Features" of a product includes indemnity / benefit cover; returns; inclusions / exclusions; FAQs; documents required for issue of policies; basic documents and verifications required for claim settlement.

² "Premium" disclosure includes premium for the model insurance cover or age and increase in premium over the preceding 3 years.

³ "Performance" includes total number of policies at the beginning of the year; new policies issued during the year; premium of new policies; premium of renewal of policies; renewal proportion.

⁴ Returns means: total bonus on maturity including assured benefit for 'par'; assured returns for 'non-par' and 'annuity' (per Rs. 1,000 premium for model ages 30, 40 and 50); and 'fund performance' for 'ULIP' products.

at the end of the month being reported upon;

(ii) proportions of claims paid in full, paid in part, repudiated, rejected, closed, and remaining unsettled at the end of the month; and

(iii) the value proportion of claims settled⁵ (taking in account partial settlement and repudiated claims).

10)Grievance⁶ redressal and improvements thereof: An effective grievance redressal performance shall include: (i) the segregation of grievances and service requests⁷ (to be done at the time of recording in the IT system itself) strictly in line with regulatory expectations; and(ii) number and proportion of grievances redressed within 15 days, 30 days, and beyond and remaining unaddressed being placed in public domain, keeping in mind that such information shall be disclosed on the Company's website for the period up to the preceding month in a year.

11)Implementation of Indian Accounting Standards; and

12)Removal of dark patterns in the Company's own interaction with the public and ensuring the same for the Company's distributors.

The parameters set out in paragraphs (7) to (12) above shall collectively carry a total weightage of 50% in the performance assessment of all KMPs, out of which the parameters in paragraph (11) and (12) (which are binary i.e., 'met' or 'not met') shall each carry a weightage of 10%. The weightage of the other four parameters may be determined by the Board. For the balance weightage of 50%, the Committee / Board may adopt such additional parameters as are aligned with the business plan of the Company. The weightage for each such additional parameter may be configured appropriately for MD/CEO/WTDS and other KMPs depending on their respective roles. Such additional parameters and the corresponding measurement criteria shall be defined upfront.

The Committee / Board shall determine appropriate improvement benchmarks based on the Company's business plan and the pursuit of enhancing value for policyholders. Performance shall be assessed accordingly only where complete and consistent disclosures have been made in accordance with Paragraph III(g) below.

(vi) Deferral of Variable Pay

A minimum of 50% of the total Variable Pay to a KMP shall be under deferral arrangements and the deferral period shall be a minimum of three years, as prescribed in the IRDAI Regulations. The first such vesting shall

⁵ Formula = total amount of claims paid (in full or in part) ÷ Total amount claimed (of claims decided for payment in full or in part or repudiated).

⁶ 'Grievance' or 'complaint' means written expression (includes communication in the form of electronic mail or voice based electronic scripts) of dissatisfaction by a complainant with respect to solicitation or sale or purchase of an insurance policy or related services by insurer and/or by distribution channel, delay or inadequacy of claim servicing or settlement, delay in pre or post treatment authorization in case of health insurance, and delay in assessment of loss in case of motor or property insurance. Explanation: An inquiry or service request would not fall within the definition of 'Grievance' or 'Complaint'.

⁷ 'Service request' means requests from policyholders to change the details already provided to the Company such as address, contact details, nominee details, etc. or simply request for a status update without expression of dissatisfaction. If not addressed in a reasonable period of 7 days, these shall be updated to grievance.

accrue after one year from the commencement of the deferral period. Vesting shall be no faster than on a pro rata basis and shall not take place more frequently than on a yearly basis to ensure a proper assessment of risks before the application of ex-post adjustments.

(vii) Deferment of cash component of Variable Pay:

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 is allowed as per the following modes:

- 1) Payment of first Twenty-Five Lakhs (Rs.25 lakhs) without any deferment; and
- 2) 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 provisions of the Master Circular on deferral arrangements.

(viii) The Committee may change the deferral quantum and period based on industry and regulatory context, company risk context and emerging best practices from time to time. subject to such changes being in compliance with the requirements under the applicable law.

(ix) In case of separation prior to completion of the applicable deferral period, the treatment and payment of the deferred Variable Pay shall be governed by the terms of the employment contract agreed between the Company and such KMP, this Policy, and, to the extent applicable, the Generali Central Insurance Company Limited – Employee CSAR Plan (“**GCIC CSAR**”), in each case subject to and to the extent not inconsistent with the Applicable Laws. Provided however that in case of termination as per directives of a court / tribunal / other competent governmental authorities or termination by the Company due to fraud / criminal offences, etc., the deferred Variable Pay shall be forfeited. The various scenarios are set out below:

Separations	Deferral of Performance Bonus (i.e., STI)
Voluntary separation (i.e., resignation) / Involuntary separation (i.e., Termination without Cause) / Retirement / Movement within Group entities	As per employment contract

Termination due to Cause	In accordance with Malus and Clawback section of this Policy below.
Death / Permanent Disability	Which has been awarded but deferred shall be given immediately in full and final settlement
Long Leave (for more than 60 days)	Which has been awarded but deferred, shall stand extended by the duration of the leave period, only for that calendar year, as may be decided by the Committee.
Re-appointment on retirement	Which has been awarded but deferred, due at the time of retirement (i.e., prior to reappointment) shall be paid only for the respective years to which it is originally deferred.
Any Other Reason	Which has been awarded but deferred shall stand forfeited, unless the Committee decides otherwise.
Suspension	In case of an eligible KMP who has been suspended or who has been issued a show cause notice, the unvested cash variable pay shall stand suspended. Such variable pay shall not be paid unless the suspension is revoked or disciplinary proceedings initiated against the employee are completed and the concerned employee has been absolved of all the allegations.

3. Malus and Clawback –

(a) Representative parameters for applicability of Malus

- (i) Termination from the services as per the directives of court / tribunal / other competent authorities, or termination by the Company in case of misconduct including fraud/criminal offences;
- (ii) Significant deterioration in the assets or financial position of the Company and/or Group;
- (iii) Behavioural integrity concerns in line with the Code of Conduct;
- (iv) Non-compliance with internal or external regulatory provisions applicable to the scope of activities managed by the KMP, including the protection of policyholders, processing of personal data, anti-money

laundering, countering the financing of terrorism, and international sanctions;

- (v) Non-completion of compliance mandatory training;
- (vi) Failure to resolve remediation actions defined within audit and compliance activities;
- (vii) If the data on which the Variable Pay was determined is subsequently found to be manifestly incorrect; or
- (viii) Any other matters as may be determined by the Committee from time to time.

No Variable Pay shall be paid in the event of wilful misconduct, gross negligence, breach of the Code of Conduct, or violation of regulatory provisions applicable to the scope of activities managed by the KMP, especially those relating to the protection of policyholders, processing of personal data, anti-money laundering, countering the financing of terrorism, and international sanctions, or in the event of failure to achieve predetermined results or significant deterioration of the financial position of the Company or the Group.

(b) Representative parameters for applicability of Clawback

- (i) Wilful misconduct or gross negligence (including the case where, as a result of such behaviours, the relevant performances prove to be non-lasting nor effective);
- (ii) Breach of the Code of Conduct;
- (iii) Breach of the regulatory provisions applicable to the scope of activities managed by the KMP;
- (iv) Behavioural integrity concerns in line with the Code of Conduct;
- (v) Non-compliance with internal or external regulatory provisions applicable to the scope of activities managed by the KMP, including the protection of policyholders, processing of personal data, anti-money laundering, countering the financing of terrorism, and international sanctions;
- (vi) Non-completion of compliance mandatory training;
- (vii) Failure to resolve remediation actions defined within audit and compliance activities;
- (viii) If the data on which the Variable Pay was determined is subsequently found to be manifestly incorrect; or
- (ix) Any other matters as may be determined by the Committee from time to time.

(c) Considerations relevant for Committee to invoke Malus and/or Clawback

- (i) The Committee shall determine whether Malus/Clawback should apply

in a particular circumstance based on this Policy. The norms of Malus and Clawback shall be decided by the Committee based on actual/realized performance of the Company, legal enforceability, and observable and verifiable measures of risk outcomes and the representative parameters set out in paragraphs (a) and (b) above.

- (ii) While determining the causes for negative trend in the parameters set out in paragraphs (a) and (b) above, the Committee may take into consideration and have due regard to the fact whether the deterioration was for factors within control or whether it was on account of conditions like global market headwinds, industry performance, changes in legal/regulatory regime, force majeure events like occurrence of natural disasters, pandemic, other socio-economic conditions etc.
- (iii) While undertaking the review for the KMP for the application of Malus and/or the Clawback based on any trigger events, when determining accountability of the KMP or KMPs, the Committee shall be guided by the principles of proportionality, culpability or proximity or nexus to the event or misconduct. Bonafide error(s) of judgment where there is no misconduct, willful or intentional act/ omission or gross negligence or lack of integrity, may not be treated as trigger under this Policy.
- (iv) Prior to taking action the management and the Committee shall ensure due regard to the principles of natural justice.

(d) Time Period for Applicability

The time horizon for applicability of Malus / Clawback shall, at the minimum, be the deferral period or 3 years, whichever is higher, in accordance with the Master Circular. There shall be no outer time limit for the applicability of Malus/Clawback. The clawback period shall be determined by the Committee on case to case basis on merits.

(e) Manner of Applicability

On deciding to invoke Malus or Clawback, the Committee will have power to take any of the following action based on the nature and severity of trigger

(i) In case of Malus:

- (1) Cancel part or full vesting of the deferred component of Variable Pay due for vesting in that particular year;
- (2) Cancel part or full vesting of entire unvested deferred component of Variable Pay which are to be vested in future years.

(ii) In case of Clawback:

- (1) Recovery of part or full cash component of deferred Variable Pay as determined by the Committee;
- (2) Recovery of part or full benefit value accrued to the employee on account of exercise/vesting of deferred component of Variable Pay;
- (3) Forfeiture of part or full vested but unexercised deferred component of Variable Pay vested during the applicable period; and

- (4) Employment contract of all KMPs shall have Malus and Clawback provisions in respect of Variable Pay linked to the representative parameters set out in paragraphs (a) and (b) above.

(iii) Guaranteed Bonus, Joining Bonus/ Sign On Bonus and Severance Pay –

- (1) The Company shall not provide an option of guaranteed bonus to any WTD/CEO/MD/KMP since the same would not be consistent with sound risk management or pay for performance principles.
- (2) Any sign on/joining bonus must only be provided in the event of new recruitment and shall be limited to the first year. The payment of such bonus will neither be considered as a part of fixed pay nor as a part of variable pay.
- (3) The Company shall not grant severance pay other than accrued benefits like gratuity pension, etc., to KMPs except in cases where it is mandatory under any applicable provision of the statute. It is clarified that severance pay does not include notice period pay.

(iv) Appointment/Re-appointment and Approval of remuneration –

- (1) Appointment/Re-appointment or modification in the remuneration, if any, of MD/CEO/WTDS shall be with prior approval of the Authority in terms of Section 34A of the Insurance Act, 1938.
- (2) In respect of remuneration of the MD/CEO/WTDS, no revision shall be carried out before the expiry of one year from the date of earlier approval.
- (3) The cost of remuneration paid to MD/CEO/WTDS/KMPs shall be borne by the Company.
- (4) While the remuneration is determined by the Board of Directors based on the recommendations of the Committee, where the annual remuneration of MD/CEO/WTDS/other KMPs individually exceeds Rs. 4 crores, such excess shall be borne by the Company's shareholders and the excess debited to Profit and Loss account.

(v) Age and tenure of MD/ CEO/ WTD –

- (1) The Company shall appoint or re-appoint any person as its Managing Director/WTDS for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- (2) The total tenure of MD/CEO/WTDS shall not exceed continuous period of 12 years if appointed by major shareholders/promoters. Company will seek approval from the Authority to extend the tenure till 15 years, whenever required. If MD/CEO/WTDS is not appointed by major shareholders/promoters, then the maximum tenure limit shall be continuous period of 15 years.
- (3) MD/CEO/WTDS should vacate their offices upon reaching the age limit of 70 years.
- (4) A promoter/shareholder cannot hold a whole-time position with the Company. However, this condition is not applicable in case where an employee becomes a

shareholder by virtue of shares received through ESOPs during the course of employment.

(f) Annual Disclosures –

The Company shall make a disclosure of the details of remuneration on an annual basis in the Annual Report and to the Authority in the format prescribed in the applicable provisions of IRDAI Regulations. The Company shall also disclose the parameters forming the basis of the remuneration package, including incentives, of the MD and CEO, all other Directors and all KMPs, and payments made to group entities and related parties, in its annual accounts in accordance with the IRDAI Regulations.

(g) Website Disclosure of Company Performance –

The names and designations of all 'Key Management Persons' shall be disclosed on the Company's website. In order to facilitate informed decision making by the public and policyholders, the performance of the Company in respect of the parameters adopted for remuneration of all KMPs shall be disclosed on the Company's website together with corresponding information for the preceding three years, in an easy to access and easy to understand manner, without requiring the visitor to provide personal details (including telephone number) for access.

The Year-To-Date information shall be disclosed:

- (i) on a quarterly basis, in respect of financial soundness; and
- (ii) on a monthly basis, in respect of products' performance, claim responsiveness, grievance redressal and improvements thereof.

Annexure C – Group Remuneration Internal Policy

					
GCII-Group	GCII_2026_Remuner	GCII_2026_Remuner	GCII_2026_Remuner	GCII_2026_Remuner	GCII-Group
Remuneration Internaa	tion_V8 (Annex V).d	cation_V8 (Annex IV).d	ation_V8 (Annex III).p	cation_V8 (Annex II).do	Remuneration Interna