REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT AND OTHER EMPLOYEES

Scope and Purpose

The purpose of this Remuneration Policy for Directors, Key Managerial Personnel, Senior Management and Other Employees ("Policy") is to provide a framework for the remuneration of the Directors, Key Managerial Personnel, Senior Management and Other Employees of HDFC Sales Private Limited ("the Company").

The primary objectives of this Policy are as follows:

a) To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
b) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
c) To ensure that remuneration to Directors, Key Managerial Personnel, Senior Management and Other Employees involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals; and
d) To have performance measurement parameters in place to assess the overall performance of the Directors, Key Managerial Personnel, Senior Management and Other Employees.

This Policy was formulated by the Company and was approved by its Nomination and Remuneration Committee and Board of Directors, respectively on March 28, 2016 and is thereafter amended from time to time, as required, to act as the guiding principle with regard to remuneration payable by the Company to its Directors, Key Managerial Personnel, Senior Management and Other Employees.

This amended Policy shall come into effect from July 31, 2026.

Definitions

"Act" shall mean the Companies Act, 2013 and rules framed thereunder, as may be amended from time to time.

"**Director(s)**" in relation to the Company shall be as defined under Section 2(34) of the Act, as may be amended from time to time.

"**Key Managerial Personnel**" in relation to the Company shall be as defined under Section 2(51) of the Act, as may be amended from time to time.

"**Senior Management**" in relation to the Company shall be the personnel explained under Section 178 of the Act, as may be amended from time to time and shall also include such other persons as may be decided by the Nomination and Remuneration Committee.

Remuneration to Non-executive/ Independent Directors

The Non-executive/ Independent Directors are paid sitting fees for attending the meetings of the Board and Committees thereof, subject to the overall limit as prescribed in the Act, as may be amended from time to time and pursuant to the approval of the Board of Directors of the Company.

Remuneration to Key Managerial Personnel, Senior Management and Other Employees

The key components of remuneration package of the Key Managerial Personnel, Senior Management and Other Employees of the Company shall *inter-alia* comprise the basic salary, house rent allowance, ex- gratia, statutory bonus, contribution to provident fund, premium on medical insurance and personal accident insurance, gratuity, leave travel allowance, leave encashment and loans to employees on need basis, etc., as applicable.

The remuneration, performance appraisal and rewards to Key Managerial Personnel, Senior Management and Other Employees, shall be in line with the stated objectives.

The annual increments for the Key Managerial Personnel, Senior Management and Other Employees shall be linked to their overall performance and that of the Company. The same shall be proposed to the Nomination and Remuneration Committee of Directors by the Chief Executive Officer, in consultation with the employees' respective reporting managers and Human Resources Department.

Employees must conduct themselves to ensure that no breach of Code of Conduct, Standard Operating Procedures and all other relevant and applicable Code is committed. Any such breach will have a direct bearing on their performance appraisal and rewards and shall also attract appropriate disciplinary action.

Remuneration to Key Managerial Personnel, Senior Management and Other Employees deputed from the Holding Company and its group entities

In the event employees of HDFC Bank Limited, the Holding Company or any of its other subsidiary or associate companies are deputed to the Company, the remuneration of such employees shall be as per the terms of negotiations entered into by the Company with their respective employers.

Reporting

This Policy shall be placed on the website of the Company and the salient features of this Policy and changes therein, if any, along with the web address of the Policy, if any, shall be disclosed in the Board's report.

Policy Review

This Policy is framed based on the provisions of the Act. In case of any subsequent changes in the provisions of the Act, the relevant amended provisions would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with law.

This Policy shall be reviewed by the Nomination and Remuneration Committee and Board of the Company once in every three years or as may be required.

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