



Nestavia Home Finance Private Limited

(“Nestavia” or “Company”)



Remuneration Policy

Name of the Policy: Remuneration Policy**Policy Number: RM-03/2026****PREAMBLE**

Nestavia Home Finance Private Limited (hereinafter referred to as "Nestavia" or "the Company") recognizes that the success of the organization is built on a foundation of trust, integrity, and ethical behaviour.

This Policy is framed pursuant to the provisions of the Companies Act, 2013, RBI (NBFCs – Governance) Directions, 2025, RBI Guidelines on Compensation for KMP and Senior Management in NBFCs, and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any modifications thereto as notified from time to time and other applicable laws and regulations. The remuneration details and structure mentioned in this policy shall be in line with the applicable provisions of the Code on Wages, 2019 and Rules made thereunder from time to time.

Prepared and Proposed By	Head - HR
Reviewed and Recommended By	Managing Director & CEO
Approved By	Board of Directors
Date of Approval	30-Apr-2026

RESPONSIBILITY ASSIGNMENT MATRIX

Responsibility for Implementation	Head - HR
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VERSION CONTROL

Version No.	Date of Approval by Board of Directors	Key Highlights/Changes
1.0	24-Nov-2024	Roll-out of policy
2.0	23-Apr-2025	Updated as part of annual review
3.0	30-Apr-2026	Updated as part of annual review

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1. PURPOSE, SCOPE AND APPLICABILITY

The purpose of this Remuneration Policy (the "Policy") is to establish a structured framework governing remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel and other Employees in Nestavia. The Policy aims to ensure that remuneration levels are competitive and aligned with the Company's goals, prudent risk-taking, capital & liquidity preservation, and long-term stakeholder interests while adhering to legal and regulatory requirements.

The Policy is applicable to all Directors, Key managerial Personnel (KMP), Senior Management and other employees of the Company.

2. DEFINITIONS

- Director: A Director appointed to the Board of the Company.
 - Key Managerial Personnel (KMP): As defined in Section 2(51) of the Companies Act, 2013, KMP includes the CEO, Managing Director, Whole-time Director, Manager, CFO, and the Company Secretary.
 - Senior Management: 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 and other key managers.
 - Independent Director: A Director as defined in Section 149(6) of the Companies Act, 2013.
 - Nomination and Remuneration Committee ("NRC" or "Committee"): Mean the Committee of Board of Directors of the Company constituted under provisions of RBI (NBFCs – Governance) Directions, 2025 and the Companies Act, 2013 as amended from time to time.
 - Remuneration: Includes salary, perquisites, allowances, and other benefits subject to applicable provisions of the Code on Wages, 2019 and Rules made thereunder from time to time.
 - Clawback: A contractual agreement requiring the return of remuneration under specified circumstances.
 - Malus: A provision allowing the Company to withhold or prevent vesting of deferred remuneration.
 - NBFC-ML refers to NBFCs in Middle Layer
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3. ROLE OF THE BOARD OF DIRECTORS

The Board of Directors shall put in place Remuneration Policy for the Directors, Key Managerial Personnel (KMP) and other employees as recommended by the NRC considering the issues that may arise out of excessive risk taking caused by misaligned compensation packages.

4. ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE

The NRC of the Board shall be responsible for the overseeing the framing of Remuneration Policy, its implementation and review. It shall:

- Ensure that remuneration decisions are aligned with the Company's goals and regulatory requirements.
 - Work in coordination with the Risk Management Committee of the Board, whenever needed, to achieve the effective alignment between compensation and Risk.
 - ensure that compensation levels are supported by the need to retain earnings of the NBFC and the need to maintain adequate capital based on Internal Capital Adequacy Assessment Process (ICAAP), when applicable.
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5. EVALUATION CRITERIA

5.1 Directors

The NRC shall evaluate all executive and non-executive Directors of the Company, pursuant to the Committee's Terms of Reference, as per the terms and conditions set out in the 'Criteria of Evaluation of Board, its Committees and individual Directors' as approved by the Board of Directors, reviewed and updated from time to time.

5.2 KMP, Senior Management and other employees

The performance of KMP, Senior Management and other employees of the Company shall be evaluated based on key performance indicators (KPIs) defined at the beginning of each financial year. These KPIs shall be aligned with the Company's strategic goals and risk management framework.

6. REMUNERATION POLICY

6.1 Remuneration for Directors

- Executive Directors (including MD): Remuneration, including salary, allowances, benefits, perquisites, and performance-linked incentives, shall be approved by the Board and shareholders,

when applicable, based on recommendations of NRC, within the limits prescribed under Section 197 of the Companies Act, 2013.

- Independent Directors and Non-Executive Directors: They shall receive sitting fees for attending meetings of the Board and Committees and may be entitled to an annual commission, subject to regulatory limits. Sitting fees and commission shall be reviewed periodically by the NRC and approved by the Board.
- Expenditure Reimbursement: Directors may also be reimbursed for reasonable expenses incurred while performing their duties.

6.2 Remuneration for KMP and Senior Management

- Remuneration for KMPs and Senior Management shall be aligned with their responsibilities, the performance of the Company, and industry standards.
- KMPs and Senior Management engaged in financial control, risk management, compliance and internal audit shall be compensated in a manner that is independent of the business areas they oversee and commensurate with their role in the Company.
- The compensation packages may include:
 - Fixed Compensation: Salary and other benefits as per their roles and market standards.
 - Variable Pay: Performance-linked incentives, bonuses, and stock options, with a clear linkage to individual, departmental, and Company performance.

6.3 Remuneration for other Employees of the Company

Remuneration for all other employees of the Company shall be based on the evaluation as set out in Clause 5.2 and aligned with their roles and responsibilities subject to the terms of the 'Policy on Rewards & Incentives' as approved by the Management Committee, from time to time.

7. COMPENSATION PRINCIPLES

The Company's compensation philosophy ensures a balance between fixed and variable pay, with the following key principles:

- **Market Competitiveness:** Compensation levels should be competitive in the industry to attract and retain top talent.
- **Alignment with Performance:** Compensation should reflect both short- and long-term performance objectives.
- **Risk Adjustment:** Compensation should be aligned with the Company's risk profile and long-term goals.

- **Deferral and Payment Structures:** A portion of variable pay may be deferred to encourage long-term performance and mitigate risk. Deferral periods will not exceed three years.
 - **Clarity and Transparency:** The performance measures and their relation to remuneration packages shall be clearly defined to the employees at the beginning of the performance measurement period to ensure that the employees perceive the incentive mechanism.
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8. COMPENSATION STRUCTURE:

8.1 Compensation Mix

- **Fixed Pay:** The Fixed compensation of all employees including KMP/Senior Management shall be determined on the basis of size and scope of the job typically as reflected by the level or grade of the job, trend in the market value of the job and skills, experience, and performance of the employee. Fixed compensation shall include salary, perquisites, allowances, and benefits.
- **Variable Pay:** Variable pay may include performance-linked bonuses, long-term incentives, or stock options. The proportion of variable pay in total compensation needs to be commensurate with the role and prudent risk-taking profile of KMPs/senior management. It should increase with the level of responsibility.

At higher levels, a significant part of the compensation should be performance-based.

8.2 Malus and Clawback

- **Malus:** Allows the Company to prevent the vesting of all or part of deferred compensation in case of performance or conduct issues.
- **Clawback:** In cases of material misconduct or negative performance outcomes, the Company may reclaim previously paid remuneration. This provision applies regardless of whether the employee is still employed or has left the Company.

8.3 Exercise of Malus and Clawback provisions

Malus and Clawback provisions may be applied for circumstances like gross and/or wilful negligence in performance of duty or has committed fraud or has performed an act with malafide intent or obstructs the functioning of an organisation, misconduct, material breach of Code of Conduct, any Non-Disclosure Agreement, regulatory procedures, internal rules and regulations and any other additional circumstances as determined by NRC.

In deciding the application of malus / clawback to any part or all of variable pay or incentives (whether paid, vested or unvested), the NRC will follow due process and adhere to the principles of natural justice and proportionality. Further, in assessing the quantum of cancellation /

withdrawal, the NRC will take into consideration all relevant factors, including inter alia, internal factors such as role and responsibilities of the employee, culpability and proximity to the misconduct as well as any external factors, including but not restricted to situations, that may have been beyond the control of the concerned employee.

9. REVIEW

This Policy will be reviewed annually by the NRC to ensure its effectiveness and compliance with applicable laws and regulations. Any amendments to the Policy will be presented to the Board for approval.

This Policy ensures that the Company's remuneration and evaluation processes are structured, fair, transparent, and aligned with regulatory requirements and the Company's objectives.

By adhering to this Policy, Nestavia aims to promote performance, governance, and sustainability by linking remuneration directly to the Company's performance, risk profile, and long-term objectives.
