



LIFE INSURANCE

CANARA HSBC LIFE INSURANCE COMPANY LIMITED
CIN : L66010DL2007PLC248825

Directors and KMP Policy

Owned by: Corporate Governance

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Version History

Release Date	Version	Revision Description	Approved By
28/11/2014	1.0	Initial version	NRC/ Board
11/08/2015	1.1	No change	NRC/ Board
09/05/2016	1.2	Regulatory changes	NRC/ Board
09/08/2016	1.3	Minor updations	NRC/Board
10/05/2017	1.4	No change	NRC/Board
18/05/2018	2.0	Merging the Directors' Remuneration Policy herein	NRC/ Board
15/05/2019	2.1	Minor changes	NRC/ Board
26/04/2021	2.2	Minor changes	NRC/ Board
18/05/2022	2.3	Minor changes	NRC/ Board
02/05/2023	2.4	No change	NRC/Board
20/02/2024	3.0	Regulatory changes	NRC/Board
20/03/2025	3.1	No change	NRC
26/03/2025	3.1	No change	Board
21/07/2025	4.0	Changes to align with provisions of SEBI LODR Regulations and revised Articles of Association	NRC/Board
09/02/2026	4.1	Changes to align with amended Insurance Act 1938 and revised Articles of Association of the Company	NRC/Board

1. BACKGROUND

Canara HSBC Life Insurance Company Limited (the 'Company') is committed to meeting the highest standards of corporate governance in line with the requirements of Companies Act, 2013 and rules and regulations made thereunder, as amended ("**Companies Act**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**LODR Regulations**"), the Insurance Regulatory and Development Authority of India (Corporate Governance for Insurers) Regulations, 2024, as amended, the Master Circular on Corporate Governance for Insurers, 2024, as amended and other applicable regulations and circulars issued by the Insurance Regulatory and Development Authority of India ("**IRDAI**", and such IRDAI regulations and circulars collectively, the "**IRDAI Regulations**").

Director and KMP Policy ("Policy") has been put in place in compliance with applicable provisions of Companies Act, 2013, the LODR Regulations and the IRDAI Regulations.

The Companies Act requires the Nomination and Remuneration Committee to identify persons eligible and qualified to be appointed as directors, including independent directors, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.

The LODR Regulations provide that the NRC shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.

2. PURPOSE

The purpose of this Policy is to:

- a. describe the procedure and criteria on the basis of which the Nomination and Remuneration Committee of the Company (NRC) will identify persons eligible to be appointed as directors and assess independence of directors;
- b. lay down provisions with respect to term of appointment, criteria for re-appointment and remuneration of directors;
- c. include the framework with respect to remuneration payable to Key Management Persons of the Company (KMP);
- d. lay down the performance evaluation framework of directors, including Chairperson and independent directors;
- e. outline any other requirements with respect to appointment of directors, including independent directors.

3. KEY REQUIREMENTS FOR APPOINTMENT AS A DIRECTOR

- A person to be appointed as a Director shall have a Directors Identification Number (DIN).

- All directors, including non-resident directors shall hold a Permanent Account Number (PAN) in India.
- The appointment shall be within the maximum number of directorships allowed for a person under applicable laws.
- The person shall submit the declarations in the forms prescribed under the Companies Act, LODR Regulations and IRDAI Regulations.
- The person shall not be disqualified to become a director, as per the provisions of Companies Act, 2013 and any other applicable law for the time being in force.

The appointment of all Directors shall be in compliance of Articles of Association of the Company, Companies Act, the LODR Regulations and all applicable laws, regulations and guidelines for the time being in force.

4. INDEPENDENT DIRECTORS

4.1 Appointment

The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person to be appointed as independent director and recommend his/ her appointment to the Board. In particular, the NRC shall ensure that the director possesses the necessary skills, experience and knowledge with respect to the Company and its business and that he/ she is not an insurance agent and or director of another life insurance company in India.

To that effect, the proposed director shall submit a confirmation of eligibility in the form of 'Fit and Proper' criteria, which shall be placed at the meeting of the NRC and Board.

With respect to appointment of independent directors, the NRC shall take into consideration the declaration of independence received from the proposed independent director before recommending his/ her appointment for approval of the Board. The proposed director shall be independent in terms of the criteria laid down under the Companies Act and the LODR Regulations, read with provisions relating to insurance companies as mandated by IRDAI from time to time. The candidate shall also be registered with the Independent Director databank, as maintained by the Ministry of Corporate Affairs.

The appointment of an independent director shall be independent of the management of the Company. The NRC and Board shall be satisfied regarding the independence of the directors and ensure that there is an appropriate balance of skills, experience and knowledge, before making the appointment. The NRC shall also verify relevance of the experience and background of the proposed independent director with respect to the business and operations of the Company. The appointment, re-appointment or removal of an independent director shall also be approved at a meeting of the shareholders as may be required under applicable laws and he/ she shall not be liable to retire by rotation.

The maximum age limit of independent directors shall be 75 years and he/ she shall not continue on the Board after attaining 75 years of age.

The appointment of an independent director shall be formalized through a letter of appointment, which shall lay down all the terms and conditions of his/ her appointment/ re-appointment as an independent director.

4.2 Term of office

An independent director shall hold office for a term of three consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the shareholders and disclosure of such appointment in the Board's report. An independent director shall be eligible for re-appointment on the basis of the report of his/ her performance evaluation. The Board shall decide upon the re-appointment with the objective of maintaining continuity.

An independent director shall not hold office for more than two consecutive terms of three years each, but shall be eligible for appointment after expiry of three years of ceasing to become an independent director. Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

4.3 Remuneration

An independent director shall not be an employee of the Company. He/ she shall be entitled for sitting fee for attending Board, Committee and other meetings of the Company as may be decided by the Board from time to time.

In addition to the sitting fee, the Company will reimburse all reasonable out of pocket expenses incurred for participation in Board and Committee/ other meetings, including reimbursement for travel and hotel stay.

Independent Directors shall not be eligible to participate in any share linked benefits of the Company.

Currently, no remuneration is paid to independent directors, other than sitting fee for attending Board and Committee meetings.

The NRC/Board may, if deemed appropriate decide to pay profit related commission to independent directors, subject to the necessary approvals as may be required under all applicable laws. Such remuneration shall be limited to maximum of Rupees Thirty Lakhs per annum per director or such other maximum amount as may be prescribed under applicable law.

Any remuneration paid to independent directors for services rendered which are of professional nature shall not be considered as part of the remuneration for the purposes of calculating this limit; provided that the services are rendered by such independent director in capacity as a professional and in the opinion of the NRC, the independent director possesses the requisite qualification for the practice of that profession.

Any remuneration to be paid to an independent director shall be approved by the NRC and recommended for approval of the Board. Disclosures of any such payments will be done in the Company's annual report.

5. NON-EXECUTIVE DIRECTORS

5.1 Appointment

If the promoters nominate a director in accordance with applicable laws and the articles of association of the Company, the appointment shall be subject to recommendation of the NRC and approval of the Board.

The maximum age limit of non-executive directors, including Chairperson, shall be 75 years and he/ she shall not continue on the Board after attaining 75 years of age. Where applicable, prior approval of IRDAI shall be obtained with respect to appointment of the Chairperson of the Board.

5.2 Term of office

The term of office of non-executive directors shall be in accordance with applicable law.

Subject to the requirements of applicable laws, the non-executive nominee directors, if appointed, shall hold office as directors in the Company till such time nominating shareholder withdraws the nomination or till such time the nominating shareholder nominates another person in his/ her place.

5.3 Remuneration

The non-executive nominee directors, if appointed, shall not receive remuneration in their capacity as directors on the Board of the Company.

Non-executive directors shall not be eligible to participate in any share linked benefits of the Company.

6. WHOLE-TIME DIRECTOR

6.1 Appointment

The Nomination and Remuneration Committee shall provide recommendations to the Board, from time to time for appointment of the Managing Director & Chief Executive Officer (MD & CEO). The appointment of MD & CEO shall be approved by the Board.

The MD & CEO shall also be a whole-time director of the Company and his appointment shall be approved by the shareholders, as required under the applicable laws and regulations and shall be subject to prior approval by Insurance Regulatory and Development Authority of India (IRDAI).

The MD & CEO shall be qualified to be appointed as a director under Companies Act, the LODR Regulations and rules and regulations made thereunder, read with provisions relating to insurance companies as mandated by IRDAI from time to time.

The maximum age limit of MD & CEO shall be 58 years, in line with the retirement age of the Company's employees.

6.2 Term of office

The Company shall appoint or re-appoint any person as its MD & CEO for a term not exceeding five years at a time. Subject to the necessary approvals required from time to time, the post of

the Managing Director and Chief Executive Officer shall not be held by the same incumbent for a continuous period of more than 15 years.

6.3 Remuneration

The Company shall strive to provide competitive remuneration to the MD & CEO, based on market practices and performance of the Company, which drives the desired behavior and promotes the desired results, while recognizing individual performance against defined objectives.

Remuneration structure shall be aligned with and reinforce the short and long-term strategies, objectives of the Company and serve to align performance with the business goals of the company. It should motivate to meet and exceed strategic and operational objectives.

The remuneration of MD & CEO shall be approved in accordance with the provisions of the Companies Act, Insurance Act, 1938 read with IRDAI Regulations, Articles of Association, as may be amended from time to time and applicable laws and regulations.

Any remuneration payable to the MD & CEO or any change therein, shall be subject to recommendation of the NRC and approval of the Board and approval of the IRDAI. Revision in the remuneration of MD & CEO shall only be effected post completion of one year from the date of earlier approval, except as otherwise advised by the Regulator.

Remuneration paid to MD/CEO shall be borne by the Company only. In line with IRDAI Regulations, in case the annual compensation of MD & CEO exceeds ₹ 4 crores, (including fixed pay, variable pay, perquisite values etc.), such excess shall be charged to the shareholders' profit & loss account.

Remuneration of the MD & CEO shall be governed by the provisions of the detailed Compensation Policy, as approved by the NRC and the Board from time to time.

All necessary disclosures of payments made to MD & CEO and other directors shall be made in the Company's Annual Report.

7. REMUNERATION OF KEY MANAGERIAL PERSONS

The four basic objectives of the remuneration strategy of the Company are:

- Performance at the team and individual level which drives towards and is in line with Company's strategic and short term objectives with a view to protect key stakeholder interests
- Attraction and retention of key talent at all levels
- Ensuring a highly motivated workforce
- Building teamwork and maintaining flexibility as the Company grows in size and across locations

Key Managerial Persons (KMP) of the Company, shall be eligible for remuneration, inclusive of fixed pay and performance based pay, as per the Compensation Policy of the Company, approved by the Nomination & Remuneration Committee and the Board from time to time.

8. GENERAL

8.1 Duties of directors

All directors shall abide by the duties and responsibilities cast upon them under the Companies Act, IRDAI Regulations and all other applicable laws and regulations. He/ she shall also comply with the responsibilities given by the Board from time to time.

The Managing Director & Chief Executive Officer shall be responsible for day-to-day management of the Company, subject to supervision of the Board of the Company.

Independent directors shall additionally adhere to the duties listed in Schedule IV of the Companies Act and the specific duties and responsibilities shall also be detailed in the appointment letter of an independent director.

The Company has in place a Code of Conduct for Members of the Board and Senior Management, which aims at laying down a set of standard policies and guidelines, in line with the Company's value behaviours, applicable to directors and senior management team. All directors and KMPs are required to annually confirm adherence to the SOBC.

Further, as per the IRDAI Regulations, all directors are required to enter into a Deed of Covenant at the time of appointment, which lays down the mutual roles and responsibilities of the Company, directors and the Board.

8.2 Induction/ Training of Directors

As per the IRDAI Regulations, all insurance companies are required to provide training on an on-going basis to enable the directors to discharge their role effectively. Additionally, as per the Schedule IV of the Companies Act, 2013, all independent directors are required to undertake induction and regularly update their skills, knowledge and familiarity with the Company.

Accordingly, the Company shall conduct/ arrange for induction/ training programmes for directors, which may include any or all of the following:

- Board roles and responsibilities
- Company's vision, business strategy, mission, core values and corporate governance practices
- Familiarisation with financial matters, management team and business operations
- Other matters to support them to continually update their skills and knowledge about the Company and its operating environment
- About the insurance industry.

The Company may also organize relevant induction sessions for all new directors to familiarize them with matters like the industry background, Company operations, insurance risks and mitigants, roles and responsibilities as a director etc.

8.3 Evaluation

The NRC shall specify the framework for carrying out an effective annual evaluation of the performance of the Board, its committees and of individual directors including independent directors. The evaluation framework shall be as approved by the Board from time to time.

Any applicable regulatory changes will be considered as part of the Policy. Necessary changes to the Policy will be incorporated and presented in the next meeting of the Committee/ Board.

9. REVIEW AND AMENDMENTS

This Policy shall be annually reviewed by the NRC and the Board or at shorter intervals, as the need may arise.

In case any amendments or clarifications are issued by the relevant regulatory authorities which are not consistent with the provisions laid down under this Policy, then such amendments clarifications, etc. shall prevail and this Policy shall be amended to that extent in a subsequent meeting.
