

**NOMINATION, REMUNERATION
AND EVALUATION
POLICY
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Contents

1. PREAMBLE	3
2. OBJECTIVE.....	3
3. COVERAGE	3
4. ELIGIBILITY CRITERIA AND QUALIFICATIONS	4
(i) Board of Directors	4
(a) Composition of the Board.....	4
(b) Appointment Criteria for Managing Director and CEO/ Whole Time Director/ Executive Director	4
(c) Appointment Criteria for Non – Executive Directors.....	5
(d) Appointment Criteria for Independent Directors.....	5
(e) Nomination Process.....	5
(ii) Key Managerial Personnel (KMPs) and Senior Management Personnel	6
(iii) General for all employees.....	6
(iv) Retirement/Superannuation	6
5. REMUNERATION.....	6
(i) Remuneration of MD & CEO / Executive Directors/WTDs	7
(ii) Remuneration of Non-Executive / Independent Directors.....	8
(iii) Remuneration for Key Managerial Personnel	9
6. MALUS & CLAWBACK	9
7. ANNUAL PERFORMANCE EVALUATION	10
(i) Performance Evaluation of Managing Director & CEO / Executive Directors/WTDs/Key Managerial Personnel.....	10
(ii) Performance Evaluation of Independent Directors.....	11
(iii) Performance Evaluation of Directors	12
(iv) Performance Evaluation of Employees:	12
(v) Board Performance.....	12
a) Mechanism for Performance Evaluation of Board	12
b) Mechanism for Performance Evaluation of Chairman and Vice Chairman of the Board.....	13
(vi) Mechanism for Performance Evaluation of Board Committees	13
(vii) External Consultants.....	14
8. SUCCESSION PLAN	14
9. DISCLOSURES	14
10. REVIEW OF THE POLICY	14

1. PREAMBLE

The Remuneration Policy ("**Policy**") of Pramerica Life Insurance Limited ("**the Company**") has been designed in line with the requirements prescribed under the Companies Act 2013 ("**Act**") read with Companies (Meetings of Board and its Powers) Rules, 2014 ("**Rules**"), Insurance Regulatory and Development Authority of India (Corporate Governance for Insurers) Regulations, 2024 ("**Corporate Governance Regulations**") read with Master Circular on Corporate Governance for Insurers, 2024, ("**Master Circular**").

The Act, Rules and Master Circular requires that the Company must have a comprehensive policy that lays down the process for appointment, remuneration, retirement and governance for Board of Directors, Key Managerial Personnel and other employees.

Further, Corporate Governance Regulation, and Master Circular prescribes that the Directors of the insurance companies should meet the 'fit and proper' criteria. The criteria would relate to integrity demonstrated in personal behavior and business conduct, soundness of judgment and financial soundness.

The Board of Directors, in their meeting held on July 18, 2014, re-designated the existing Remuneration Committee of the Board as 'Nomination and Remuneration Committee ("**NRC**")' and amended the charter of NRC in compliance with the requirements of the Act.

The Board and NRC adopts and oversees the effective implementation of this written remuneration policy which does not induce excessive or inappropriate risk taking, is in line with the corporate culture, objectives, strategies, identified risk appetite and long-term interests of the Company and has proper regard to the interests of its policyholders and other stakeholders.

2. OBJECTIVE

The objectives of this policy are as under -

- a) To ensure that remuneration is structured in a way that the Company can attract, motivate and retain qualified employees to contribute to the success of the Company by delivering on Company's short term and long-term strategy;
- b) To determine overall remuneration philosophy and framework that creates alignment and balance between the rewards and risk exposure of shareholders, interests of employees and customers while ensuring appropriate market referencing;
- c) To determine the qualifications, positive attributes and independence of the Board;
- d) To lay down criteria for identifying persons who are qualified to become directors and such persons who may be appointed in senior management and to determine their remuneration and other terms and conditions;
- e) To carry out the evaluation of the performance of Board of Directors as well as the Shareholders of the senior management team.

3. COVERAGE

This Policy shall be applicable to:

- a) Board of Directors (Chairman/Executive Directors (including Managing Director / Whole time directors / chief executive officer)/ Non-Executive / Independent Directors);
Key Management Persons (KMP's) as defined in the IRDAI (Registration, Capital Structure, Transfer of Shares and Amalgamation of Insurers) Regulations, 2024 and Key Managerial Person as defined under the Companies Act, 2013 (Collectively referred to as "**KMP(s)**")
and

- b) Other employees of the Company, as may be specified from time to time.

4. ELIGIBILITY CRITERIA AND QUALIFICATIONS

(i) Board of Directors

(a) Composition of the Board

Section 149 of the Companies Act, 2013 prescribes that every public limited company shall have minimum 3 directors. Also, the Company falls under the prescribed class of companies which are required to appoint at least one-woman director and at least two independent directors. Section 149 (3) provides that there should be at least one director who should have stayed in India for a period of not less than 182 days during the previous calendar year.

Further, Corporate Governance Regulation and Master Circular also prescribe minimum three independent directors for an unlisted insurance company. It further provides that in case Chairman of the Company is non- executive, the Chief Executive Officer shall be the whole-time director on the Board.

At present, the Board consists of nine directors including seven non-executive directors and one non-executive Chairman along with one executive Managing Director and CEO. Out of these seven non-executive directors, three are independent. The Board consists of professional, experienced and knowledgeable Directors who are responsible for the overall direction of the business in the interest of all stakeholders and applicable laws.

(b) Appointment Criteria for Managing Director and CEO/ Whole Time Director/ Executive Director

The appointment of Managing Director (MD) / Chief Executive Officer (CEO) / Whole Time Director (WTD) / Executive Director shall be made in accordance with Insurance Act, 1938, applicable provisions of the Corporate Governance Regulations and Master Circular, applicable provisions of the Companies Act 2013 and the Articles of Association of the Company.

The candidate for the position will be assessed against a range of criteria which includes but not be limited to qualifications, skills, industry experience, background and other attributes required for the said position.

The Managing Director & CEO / Whole Time Director / Executive Director shall have all the powers and authorities as prescribed by the Board of Directors, Articles of Association and applicable provisions of Companies Act, 2013, as amended from time to time. The Managing Director & CEO/ Whole Time Director / Executive Director will be in overall charge of the business, administration and other affairs of the Company within the superintendence, control and directions of the Board of Directors. The appointment shall be subject to the prior approval of IRDAI.

The post of the MD & CEO or WTD shall not be held by the same incumbent for a continuous period of more than 15 years. Thereafter, the individual shall be eligible for re-appointment as MD & CEO or WTD, if considered necessary and desirable by the board, after a cooling off period of at least one year, subject to meeting other applicable conditions.

If the MD & CEO or WTD is appointed by a promoter/ major shareholder, then he/she shall not hold the said posts for a continuous period of more than 12 years. However, the Authority may, on an

application made to it, permit such MD & CEO or WTDs to hold office for up to 15 years.

No person shall continue as MD & CEO or WTD with the Company beyond the age of 70 years.

(c) Appointment Criteria for Non – Executive Directors

The Non - Executive Director is appointed as per the applicable provisions of the Companies Act, 2013, the Guidelines and rules made there under and assessed on various parameters such as qualification, relevant experience and expertise, integrity, skill sets, etc.

The maximum age limit for Non-Executive Directors, 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 of the Company.

(d) Appointment Criteria for Independent Directors

An independent director shall be defined in line with the applicable provisions of the Companies Act, 2013, as amended from time to time.

- i. Who is not less than 21 years of age.
- ii. The maximum age limit shall be 75 years and after attaining the age of 75 years, no person shall continue on the Board of the Company.
- iii. Who possesses such other qualifications as may be prescribed.
- iv. An Independent Director may be appointed for a term of up to five consecutive years on the Board of the Company, and shall be eligible for re-appointment for the second term on passing of a special resolution by the Company. No independent Director shall hold office for more than two consecutive terms, beyond a period of 10 years. After completion of 10 years such independent director shall be eligible for re-appointment only after a cooling-off period of at least three years.

(e) Nomination Process

The NRC will assist the Board in identifying potential qualified individuals for the position of director with a view to ensure that the Board is comprised of individuals who possess the right skills, qualities and experience to collectively contribute to corporate governance for the Company. NRC will review and ensure that the identified candidates meet the eligibility norms as set out in the Companies Act 2013, Insurance Act 1938, Corporate Governance Regulation and Master Circular and other statutory provisions applicable to Director/Independent Director. NRC shall determine the suitability of a candidate based on below-mentioned parameters:

- i. Adherence to the highest ethical standards, display solid business judgment, and have strong interpersonal skills;
- ii. Ability to read and interpret financial statements;
- iii. Industry knowledge and experience;
- iv. Fit and proper criteria prescribed under Corporate Governance Regulation and Master Circulars; and
- v. Such other criteria as may be determined by NRC or prescribed by applicable law from time to time.

The profile of the shortlisted candidate will be placed before the Board of Directors for their consideration and approval. The approval of the shareholders will also be sought for the appointment, in compliance with the provisions of the Companies Act 2013 and Articles of

Association of the Company. The Independent Directors will be issued a formal letter of confirmation of their appointment.

(ii) Key Managerial Personnel (KMPs) and Senior Management Personnel

"Key Management Persons" (KMPs) means as defined in the IRDAI (Registration, Capital Structure, Transfer of Shares and Amalgamation of Insurers) Regulations, 2024.

Similarly, meaning ascribed to the term KMP pursuant to Companies Act shall be as defined under the Companies Act, 2013. Both collectively are referred herein as KMPs or Key Managerial Person.

The MD & CEO and KMPs shall be appointed, by means of resolution of the NRC/Board as the case may be containing the terms and conditions of such appointment.

The KMPs should comprise of individuals with appropriate mix of relevant skills, experience and personal attributes required for the role. Such employees should be adept and understand the business and the environment in which Company operates and deliver on the Company objectives, goals and strategic direction.

The selection of potential candidates as part of KMP, as the case may be shall primarily be based upon the following key factors:

- a) Appropriate level of experience, skills and qualifications;
- b) High level of integrity;
- c) Prior experience and potential impact that can be created for the Company
- d) Ability to provide insights and practical wisdom based on their experience and expertise for the success of the Company;
- e) Display of specific competencies as defined; and
- f) Compliance to applicable legal and regulatory requirements.

(iii) General for all employees

The Company shall recruit individuals with high level of integrity and having the appropriate qualifications, skills and experience relevant to the Company's requirements for the specific position for which such individual is being interviewed.

(iv) Retirement/Superannuation

Director(s) and KMP shall retire/superannuate as per the applicable legal and regulatory provisions and the prevailing policy of the Company, as amended from time to time.

5. REMUNERATION

The remuneration of employees in general is based upon the industry position, business performance, and macro-economic conditions and also benchmarked to companies in the insurance sector. The survey reports generated through internationally recognized compensation/HR service consultancies, supplemented with appropriate reports, internal data gathered from recruitment channels etc. form basis for appropriate decisions on remuneration.

The NRC (in consultation with the Risk Management Committee) shall ensure that the remuneration is

adjusted for all types of risks; does not encourage KMPs to take inappropriate or excessive risks for their performance-based remuneration; is sensitive to the time horizon of the risk; its composition is consistent with risk alignment; the statutory payments such as provident fund, gratuity and superannuation benefits etc. are made in accordance with the applicable law.

The Annual Remuneration for all employees shall be an aggregate of Fixed Pay (including monetary and non-monetary perquisites) and Variable Pay, for a particular financial year.

- a) **Fixed Pay** - Fixed Pay shall include basic pay, allowances, perquisites, contribution towards superannuation/retirement benefits and all other fixed items of compensation.
- b) **Variable pay** – Variable Pay shall be in the form of cash and/or share linked instruments*, subject to conditions as per Regulation 21 of the IRDAI (Expenses of Management, including Commission, of Insurers) Regulations, 2024.
 - i. The Variable pay shall be performance-based using measures of individual, unit or group performance that do not create incentives for inappropriate risk taking. Performance based incentives shall be aligned with long term value creation and the time horizon and materiality of risks to which the Company may be exposed. This would be based on Key Result Areas (KRAs) and achievement of targets with overall linkage to the Company financial position and business/functional targets/objectives.
The Company will define every year, a performance – payout matrix for Variable pay based on the achievement against KRAs of the KMP and place the same for approval of the NRC and Board.
 - ii. The deterioration in the financial performance of the Company and the other defined parameters as per the remuneration policy shall lead to a contraction in the total amount of variable pay, which may even be reduced to zero.

**“Share linked instruments” means (i) employee stock option schemes;(ii) employee stock purchase schemes; and (iii) stock appreciation rights schemes (Cash or Stock settled) or any other instruments as notified by the Authority, from time to time.*

- c) **Joining Bonus:** Joining Bonus shall only occur in context of hiring new personnel and be limited to first year of employment. Such bonus shall not be construed as part of fixed or variable pay.
- d) **Guaranteed bonuses:** Guaranteed bonuses are inconsistent with sound risk management or the pay-for performance principles and hence shall not be part of remuneration plan.

(i) Remuneration of MD & CEO / Executive Directors/WTDs

The remuneration of the MD & CEO / Executive Directors / Whole time Directors (WTDs) is to be determined annually and to be periodically reviewed and revised by NRC and recommended to the Board of Directors for their consideration and approval subject to the prior approval of shareholders and IRDAI. The remuneration of the MD & CEO is directly linked to the objectives of the Company, Company's performance, appropriate benchmarks, industry ranking / standards, market trend, applicable statutory provisions and appropriate risk measures to safeguard the interest of the Company, its shareholders & customers.

The Remuneration is a mix of fixed and variable pay. Variable Pay shall be at least 50% of the Fixed

Pay for the corresponding period and shall not exceed 300% of the Fixed Pay. Where variable pay is up to 200% of the fixed pay, a minimum of 50% of the variable pay shall be via non-cash instruments. The same limit would be 70% in case the variable pay is above 200% of the fixed pay.

A minimum of 50% of the total variable pay will be under deferral arrangements and the deferral period shall be a minimum of three years. The first such vesting shall 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. No deferment of variable pay will be applicable for an amount of up to Rs Twenty-Five lakhs for a particular year. Cash Variable Pay above 25 lakhs will be deferred as per clarification by IRDAI vide mail dated 30th Jan 2025.

Notwithstanding anything to the contrary stated in the Policy, in case of retirement, resignation, death of the MD & CEO/ Executive Directors / WTDs or separation for reasons other than for cause, the variable pay under deferral arrangements as above shall be paid and settled in accordance with the terms of employment and terms of relevant Share-linked instruments scheme as applicable to the MD & CEO/ Executive Directors / WTDs.

For the purpose of calculating share price (for the purpose of Share linked instruments), the Company will use Embedded Value (EV) per share.

For grant of Share-linked instruments to KMPs (which include MD & CEO/ Executive Directors / WTDs), this share price will be additionally certified by a Class 1 SEBI registered merchant banker, in line with IRDAI guidelines. Subsequently, Value of a unit will be derived using methods such as Black Scholes Valuation to ascertain the units to be granted”

(ii) Remuneration of Non-Executive / Independent Directors

Remuneration of Non-Executive / Independent Directors means all payouts including profit related commission, if any, subject to the Company making profits. This is to be kept within the overall ceiling of 1% of the net profits of the Company as computed in pursuance to the provisions of Section 197 and any such other applicable provisions of Companies Act, 2013. Further, any such commission shall be paid to the Non-Executive Directors/ Independent Directors subject to review by the NRC and approval of shareholders.

However, as per the Master Circular, such payment shall not exceed Rs. 30 lacs per annum. If the Chairperson of the company is a Non- Executive Director, the remuneration may be decided by the Board of Directors of the Company and, the remuneration policy shall specify the details of the remuneration and incentives to be paid to him/ her.

The remuneration of the Chairman may be decided by the Board of Directors separately. The sitting fees shall be paid to the Non-Executive Directors/Independent Directors within the limits as prescribed under the provisions of Section 197 and other applicable provisions of the Companies Act 2013.

The Company shall also reimburse the expenses for attending the Board and other Committee meetings including travelling, boarding and lodging expenses to the Non-Executive Directors

/Independent Directors subject to the approval of Shareholders in the General Meeting, subject to compliance with the provisions of the Companies Act, 2013.

Non-Executive Directors shall not be eligible for any equity-linked benefits.

(iii) Remuneration for Key Managerial Personnel (other than MD & CEO / ED / WTD)

The remuneration of Key Managerial Personnel at the time of appointment and subsequent increments will be recommended by the MD & CEO and approved and governed by the NRC and the Board, considering the following key factors:

- a. The level and composition of remuneration shall be reasonable and sufficient to attract, motivate and retain talent and should be in line with the industry practice aimed at promoting the short term and long-term interests and performance of the Company.
- b. Remuneration is regularly benchmarked to ascertain appropriate remuneration positioning.
- c. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and is adjusted for all types of risks.
- d. Create an alignment and balance between the rewards and risk exposure of shareholders, the interests of employees and customers.
- e. Remuneration is a mix of fixed and variable pay. Variable Pay shall be at least 50% of the Fixed Pay for the corresponding period and shall not exceed 300% of the Fixed Pay. Where variable pay is up to 200% of the fixed pay, a minimum of 50% of the variable pay shall be via non-cash instruments. The same limit would be 70% in case the variable pay is above 200% of the fixed pay.
- f. A minimum of 50% of the total variable pay will be under deferral arrangements and the deferral period shall be a minimum of three years. The first such vesting shall accrue after one year from the commencement of the deferral period. Except as provided in 5 (g) below, 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. No deferment of variable pay will be applicable for an amount of up to Rs Twenty-Five lakhs for a particular year, however Cash Variable Pay above 25 lakhs will be deferred as per clarification by IRDAI vide mail dated 30th Jan 2025.
- g. For the purpose of calculating share price, the Company will use Embedded Value (EV) per share. For grant of Share-linked instruments to KMPs, this share price will be additionally certified by a Class1 SEBI registered merchant banker, in line with IRDAI guidelines. Subsequently, value of a unit will be derived using methods such as Black Scholes Valuation to ascertain the units to be granted"
- h. Notwithstanding anything to the contrary stated in the Policy, in case of retirement, resignation, death of the KMP or separation for reasons other than for cause, the variable pay (including Annual Performance Bonus and CSAR), under deferral arrangements under 5 iii. (f) above shall be paid and settled in accordance with the terms of employment and terms of the relevant Share-linked instruments scheme as applicable to such KMP.

6. MALUS & CLAWBACK

Variable Pay of MD & CEO/WTDs/KMPs shall be subject to Malus and Claw-back provisions. However, while exercising such provisions, due consideration will be given to the actual / realized performance of the Company.

Malus arrangement: It would entail cancellation of payout for the deferred portion of pay i.e., this arrangement permits the Company to prevent vesting of all / part of the amount of a deferred remuneration. It does not reverse vesting after it has already occurred.

Claw-back arrangement: It would entail return of payout of reward (cash variable pay/long term incentive) made in the previous year's attributable to a given reference year wherein the incident has occurred. The return would be in terms of net amount. This arrangement would be a contractual agreement between the KMP and the Company in which the KMP agrees to return previously paid or vested remuneration to the Company under certain exceptional circumstances.

Malus / Claw-back: Malus and claw-back shall be applied for the deferment period as applicable to deferred variable pay in terms of this Remuneration Policy. Malus or Claw-back action may be due to a situation or circumstance, whether due to a proven action or inaction of a KMP employee bringing or causing Gross negligence, integrity breach, materially inaccurate financial statements due to the result of misconduct including fraud, poor compliance in respect of corporate governance and regulatory matters.

However, while exercising such provisions NRC shall be guided by the principles of proportionality, culpability, proximity to event and natural justice. The objective of this policy to incorporate malus/claw-back arrangement is to ensure effective governance of compensation and not to stymie regular business decisioning. Thus, due consideration will be given by the NRC & the Board to the actual / realized performance of the Company and the decision of the NRC will be considered as final.

No claw-back shall be effected unless such conduct is established through a formal inquiry conducted in accordance with the above principles , ensuring full opportunity for the KMP to be heard and to defend themselves.

Where a claw-back / malus determination is subsequently set aside or modified by a court of competent jurisdiction or statutory authority, appropriate restitution shall be made to the KMP.

Any decision to enforce claw-back shall be subject to review and approval by the NRC / Board.

7. ANNUAL PERFORMANCE EVALUATION

(i) Performance Evaluation of Managing Director & CEO / Executive Directors/WTDs/Key Managerial Personnel

The performance management system of the Company ensures a robust process to establish clear performance goals aligning individual goals with organization goals.

The philosophy for performance management for MD & CEO/EDs/WTDs/KMPs is to ensure performance linked remuneration is based on performance measures that take into account policyholder's interests, ' influence on the impact on risk exposures of the Company.

The Board will guide in formulating organization level objectives at the beginning of every year and will sign off on the MD & CEO/EDs/WTDs scorecards, this will help align Key Result Areas (KRAs) for other KMPs to support the achievement of business strategy, financial and non-financial goals of the organization.

These KRAs will be the basis for performance assessment at the end of the performance year, which will

determine the payment of variable pay as well as revision of fixed pay.

Some of the illustrative but not exhaustive parameters considered as KRAs are:

- a. Overall financial soundness and improvements thereof namely,
 - i. 'Assets under management' to 'Total premium' ratio,
 - ii. 'Renewal premium' to 'New business premium' ratio,
 - iii. Proportion of "total number of policies issued" during the year to "total number of policies exited from the books (pre-mature exits + exits due to death + exits due to maturities)" during the year,
 - iv. 'Expense of management' to 'Gross direct premium' ratio.
- b.
 - i. Products' performance and improvements thereof;
 - ii. Claim responsiveness and improvements thereof;
 - iii. Grievance redressal³ and improvements thereof;
 - iv. Implementation of Indian Accounting Standards;
 - v. Removal of dark patterns in company's own interaction with the public and ensuring the same for company's distributors.

Note: The above 6 parameters shall have total weight of 50%, out of which parameter (v) and (vi) shall have weight of 10% each. The weight of other 4 parameters may be decided by the Board.

These KRAs will form part of the goal sheet/performance criteria for the respective KMP including MD & CEO/EDs/WTDs in line with their respective roles and responsibilities which will be decided by the Board. The weightage for each of the parameters may be configured suitably for MD&CEO/EDs/WTDs and other KMPs depending on their respective roles. Additional parameters also may be defined which shall be in line with the business plan of the Company. The performance evaluation will be considered for payment of variable pay as well as form the basis for revision of Fixed Pay, along with other market considerations influencing Fixed Pay.

(ii) Performance Evaluation of Independent Directors

The performance evaluation of Independent Directors shall be done by the Board of Directors, excluding the director being evaluated. The evaluation should be carried out as per Schedule IV (Code for Independent Directors) of the Companies Act 2013.

Each Non-Executive Director / Independent Director's contribution will be assessed by the Chairman and Vice Chairman of the Board and the results of the assessment will be discussed with the NRC Chairperson. The contribution of the NRC Chairperson will be assessed by the Chairman of the Board and the result of the assessment be discussed with the senior most Independent Director. Criteria for assessment of Non-Executive Director / Independent Director's include attendance record, intensity of participation at meetings, quality of interventions and special contributions.

Independent directors would have key roles to play in areas, namely, governance, control guiding strategy, statutory compliances and any other area which could be of importance to the Company. Some of the performance indicators on which the Independent Directors would be evaluated are:

- a) Ability to contribute to and monitor the Company's corporate governance practices.
- b) Ability to contribute by introducing international best practices to address top management

issues.

- c) Active participation in long term strategic planning.
- d) Commitment to the fulfillment of duties and fiduciary responsibilities as enshrined in various statutes and charter of Committees.
- e) Upholding of ethical standards of integrity and probity.
- f) Not allowing any extraneous considerations that will vitiate his/her exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making.
- g) Refraining from any action that would lead to loss of his/her independence.
- h) Striving to attend all meetings of the Board of Directors and Board Committees of which he/she is a member and general meetings of the Company.
- i) Not disclosing confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

The re-appointment of the Independent Directors shall be determined on the basis of their performance evaluation report.

(iii) Performance Evaluation of Directors

The performance evaluation of individual directors could be done by a peer group comprising the entire Board of Directors, excluding the director being evaluated, and other relevant stakeholders. The performance of individual Directors shall be evaluated amongst other things, based on contribution and effectiveness in corporate governance, leadership through vision and values, strategic thinking and decision making, commercial and business acumen, teamwork, contribution to resolution of divergent views, proactive participation and time commitment. The performance of the individual Director will also be assessed on how well he or she handles situation of director's indirect interest that conflicts, or possibly may conflict, with the interest of the Company, avoids undue gain or advantage either to himself or to his relatives, partners, or associates. In determining the re-election of a director, the Board shall consider the performance review carried out by the Independent Directors, Director's past attendance at meetings and participation in and contributions to the activities of the Board.

(iv) Performance Evaluation of Employees:

The performance of the employees is evaluated on annual / half yearly basis as per Company's performance evaluation process. The performance objectives of all employees are determined and aligned with the overall goals / objectives of the Company. The performance ratings and the increments are considered on the basis of individual as well as Company performance, appropriate benchmarking and applicable policies. Managing Director & CEO conducts the annual performance review of Senior Management / KMPs. The NRC & the Board will review and approve the annual performance assessment of KMPs, as recommended by the MD & CEO.

(v) Board Performance

The Board shall have an effective mechanism for evaluating its performance on a continuing basis. Meaningful Board evaluation requires an assessment of the effectiveness of the Board, the operations of Board Committees and the contributions of individual directors.

a) Mechanism for Performance Evaluation of Board

i. A Committee comprising of the Chairman and Vice Chairman of the Board will meet with each director separately seeking input in relation to:

- 1) Performance of the Board;
- 2) Performance of each Board Committee;
- 3) Performance of the Chairman and Vice Chairman;
- 4) Performance of the Managing Director and Executive Directors;
- 5) their own performance; and
- 6) Ideas for improvement.

ii. Performance should be assessed quantitatively (and qualitatively, as appropriate) against various criteria, strategic plans and the role/position description.

iii. The Committee will collate the input and provide an overview report for discussion by the Board.

iv. The Board should evaluate its effectiveness in use of time, whether Board allowed sufficient opportunity to adequately assess management performance, Board's ability to keep abreast of developments in the wider environment, adequacy of meeting frequency and duration.

v. The Board should consider working relationship between Chairman and Managing/Executive Directors, segregation of duties between Board and management, ability of Directors to express views to each other and to management in a constructive manner, adequacy of Board discussions and management of divergent views.

vi. The Board as a whole will discuss and analyze its own performance during the year including suggestions for change or improvement, as well as any skills, education, training or development required over the forthcoming year and adequacy of procedures dealing with inadequate performance by a Board member.

vii. The Independent Directors shall hold at least one separate meeting in a financial year to review the performance of non-independent directors and the Board as a whole. The Independent Directors shall also review the performance of the Chairman and Vice Chairman of the Board, considering the view of the Executive as well as Non- Executive Directors. The Independent Directors shall assess the quality, quantity, and timeliness of the flow of information between the management and the Board that is necessary to enable the Board to discharge its duties reasonably and effectively.

b) Mechanism for Performance Evaluation of Chairman and Vice Chairman of the Board

The non-executive Directors, led by NRC Chairperson shall be responsible for the performance evaluation of the Chairman and Vice Chairman of the Board taking into account the views of the Managing Director / Executive / Whole Time Directors.

The performance of the Chairman and Vice Chairman of the Board shall be evaluated, amongst other things, on the basis of contribution and effectiveness in corporate governance, leadership through vision and values, strategic thinking and decision making, commercial and business acumen, teamwork, contribution to resolution of divergent views, proactive participation, interaction with management and relationships /communications with shareholders.

(vi) Mechanism for Performance Evaluation of Board Committees

This policy is to ensure Committees to which the Board has delegated responsibilities are performing efficiently and effectively in accordance with the duties and responsibilities set out in their respective charter.

Each year the Board will undertake the following activities:

- a) The Board will review the necessity of establishing any Committees and delegating certain of its responsibilities to the Committees.
- b) The Board will review the Committees achievements during the year based on their respective duties.
- c) The Board will review the charters of the Committees once per year to ensure that they are up to date.

(vii) External Consultants

The NRC/Board may engage independent external consultants periodically to provide advice and assistance in the evaluation process.

8. SUCCESSION PLAN

Pramerica Life has implemented a rigorous succession/talent management process for critical roles and Key Management Personnel (KMP) roles to ensure leadership continuity and operational stability. The process includes a Talent Review Process, which identifies critical positions and assesses competencies, skills, and experience. Key position holders undergo a development journey through leadership and skill development programs, including coaching with external consultants and curated management development programs. Competitive salary packages and benefits are offered to retain talent, and cross-border exposure with foreign shareholders is provided. The Chief Human Resources Officer, along with MD & CEO, conducts an annual review of identified talents for potential succession to senior roles, evaluating their performance and contributions and also carve out developmental needs which these identified talent would need to succeed to higher roles. Through this practice, Pramerica Life has successfully facilitated numerous internal successions to KMP roles, maintaining stability and fostering growth within the organization.

9. DISCLOSURES

The Board's report shall contain a statement indicating the way formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.

The Company shall comply with the disclosure and accounting requirements prescribed by IRDAI, SEBI or any other regulatory or statutory authorities.

10. REVIEW OF THE POLICY

This policy will be subject to annual review by NRC keeping in view the regulatory changes, other benchmarks, industry practices etc. and the recommendation(s), if any, will be placed before the Board of Directors for their approval.