

**KOTAK MAHINDRA PRIME LIMITED**  
**Compensation Policy for Non-Executive Directors**

**1. Objective**

In terms of the Companies Act, 2013, as applicable, the Board of Directors ('Board') of Kotak Mahindra Prime Limited. ("KMPL" or "Company") have adopted the 'Kotak Mahindra Prime Limited Compensation Policy for Non-Executive Directors' in order to appropriately compensate the Non-Executive Directors of the Company for bringing in professionalism to the KMPL's Board.

**2. Applicability**

This Policy is applicable to the Non-Executive Directors (including independent directors) of the Company.

**3. Forms of Compensation**

Compensation structure is broadly divided into:

- Sitting Fees
- Reimbursement of expenses
- Fixed Remuneration

However, Non-Executive Directors who are employees of the holding company or subsidiaries of the holding company shall not be eligible for sitting fees and fixed remuneration. Further, Non-Executive Directors who have pecuniary relationship with the holding company or subsidiaries of the holding company, shall also not be eligible for sitting fees and fixed remuneration.

**4. Sitting Fees**

Pursuant to the relevant provisions of the Companies Act, 2013 and the Rules thereunder, the Non-Executive Directors shall also be paid fees as mentioned below for attending meetings of the Board or Committee(s) thereof:

<b>Meetings</b>	<b>Sitting Fees per meeting (Amount in Rs.)</b>
Board	60,000
Audit Committee	40,000
Committees, Other than Audit Committee (including meeting of Independent Directors)	30,000

The aforesaid amount of sitting fees, subject to the regulatory limits, may be revised by the Company's Board from time to time.

**5. Reimbursement of expenses**

The Non-Executive Directors shall also be reimbursed expenses incurred by them for participation in the Board/Committee meetings.

**6. Fixed Remuneration (Non-Executive Directors)**

The remuneration payable to the Non-Executive Directors would be Compensation in the form of fixed remuneration not exceeding Rs. 12.50 lakh per annum.

In case of a Non-Executive Director, joining the Board during the year, such Fixed Remuneration Compensation as above would be paid on a pro-rata basis, based on the number of quarters for which he/she was on the Board, with a part of quarter being considered as a full quarter.

The aforesaid amount of Compensation in the form of fixed remuneration, subject to the regulatory limits, may be revised by the Board, from time to time, in line with applicable regulation

**Current resolution**

In terms of the provisions of the Companies Act, 2013, the Shareholders of the Company at the Annual General Meeting held on 29<sup>th</sup> April 2016 have approved a sum of ₹3 lakh each or such other amount as may be determined by the Board of Directors of the Company from time to time within the regulatory permissible limits by way of annual commission to Independent Directors with effect from the FY 2015-16.

**7. Stock Options**

The Non-Executive Directors shall not be eligible for any stock options of the Company / Holding Company.

**8. Disclosures**

The Company shall make a disclosure on remuneration paid to the directors on an annual basis in the Annual Financial Statements or such other disclosures as may be prescribed by the regulatory/statutory authorities.