

REMUNERATION AND COMPENSATION POLICY

Remuneration policy for Non-Executive Directors

The remuneration payable to Non-Executive/Independent Directors ('NEDs') of ICICI Bank Limited is governed by the provisions of Banking Regulation Act, 1949, RBI guidelines issued from time to time and the provisions of the Act and its applicable rules to the extent it is not inconsistent with the provisions of the Banking Regulation Act, 1949/RBI guidelines. The Company, being a subsidiary of ICICI Bank Limited, has adopted practices on these lines with respect to remuneration payable to non-executive/ independent Directors of the Company.

Considering the above, the permitted modes of remuneration for the NEDs would be sitting fee for attending each meeting of the Committee/Board as approved by the Board from time to time and profit related commission within the limits as provided under the Act and related rules thereunder.

All the non-executive Directors/Independent Directors would be entitled to reimbursement of expenses for attending Board/Committee meetings, official visits and participation in various forums on behalf of the Company.

Profit related Commission

The NEDs would be entitled for profit related commission in compliance with the provisions of the Companies Act, 2013 and Rules thereunder (as amended from time to time) and other applicable law.

Disclosure

The Company would make the requisite disclosure on remuneration paid to NEDs in the Annual Financial Statements.

Review

The Policy would be reviewed annually by the NRC.

Compensation Policy of the Company

Preface

Section 178 of the Companies Act 2013 lays down requirement for the Nomination and Remuneration Committee to recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.

ICICI Securities Limited (the Company) has in place a comprehensive compensation policy covering all employees. The Policy covers all aspects of the compensation structure such as fixed pay, perquisites, performance bonus, joining/sign-on amount, share-linked instruments e.g. Employee Stock Option Plan (ESOPs) of ICICI Bank Ltd.

This Policy is applicable from May 1, 2025 and thereafter unless amended with approval of the Board.

COMPENSATION POLICY

The Company has historically followed prudent compensation practices under the guidance of the Board of Directors and the Nomination & Remuneration Committee (the NRC or the Committee). The Company's approach to compensation is intended to drive meritocracy within the framework of prudent risk management. Compensation is linked to corporate performance, business performance and individual performance. The current variable pay scheme is designed to reward employees based on holistic assessment of performance and does not constitute profit sharing.

The following principles for sound compensation practices will continue to be practised by the Company.

1. Effective governance of compensation
2. Effective alignment of compensation with prudent risk taking
3. Effective supervisory oversight and engagement by stakeholders
1. Effective Governance of Compensation
 - 1.1 The NRC has the oversight over framing, review and implementation of the Company's compensation policy on behalf of the Board.
 - 1.2 The NRC will be composed of such non-executive Directors as may be prescribed under the applicable statutory/regulatory provisions from time to time.
 - 1.3 The executive management will present annually the financial and strategic plans for the Company to the Board of Directors. The financial plan/ targets will be formulated in conjunction with a risk framework, within which the Company should operate to achieve the financial plan.
 - 1.4 The Committee will define Key Performance Indicators (KPIs) for the Company and the Whole-Time Directors, based on the financial targets and strategic goals. The Committee will also recommend the KPIs for the Company and the Whole Time Directors to the Board.
 - 1.5 The NRC will recommend to the Board for approval of the fixed pay, perquisites, retirements, variable pay that includes cash bonus, long-term incentive (LTI) and for noting of share-linked instruments (employee stock options or employee stock units granted by ICICI

Bank Limited) for the Managing Director & CEO, Whole-time Directors and/or other employees. This will be subject to necessary approvals, wherever applicable. Grant of ICICI Bank Ltd.'s employee stock options/units will be approved by the Board Governance Remuneration & Nomination Committee (the BGRNC) of ICICI Bank.

1.6 The NRC will approve the organisational performance norms for variable pay and assess the achievement against such norms including various risks and market parameters and factor in material regulatory breaches, if any as well as any internally identified compliance failures. Decision on compliance failures shall be determined in accordance with the staff accountability framework. The compensation shall be in compliance with all statutory requirements. Based on such assessment, the NRC will recommend the variable pay to the Board for approval. The NRC may also recommend 'nil' variable pay based on its assessment.

1.7 The Managing Director & CEO and Head-Human Resources will be responsible for execution of the compensation strategy, practices and plan (covering both fixed pay and variable pay) for the Company in line with the compensation policy.

1.8 The Head-Human Resources will present the compensation policy for review to the NRC annually.

2. Effective alignment of Compensation with prudent risk taking

Fixed Pay and Variable Pay

2.1 The variable pay payout schedules will be sensitive to the time horizon of risks. The compensation budget of the Company will be based on projected levels of business and staffing requirements, revenue generation and the desired level of cost-to-income ratios and financial plans.

2.2 The Company will have a judicious and prudent approach to compensation and will not use compensation as the sole lever to attract and retain employees. Employee compensation will take into account a mix of external market pay and internal equity.

2.3 The total compensation will be a prudent mix of fixed pay and variable pay. Fixed pay will include basic pay, allowances, perquisites, contribution towards retires and any other form of benefits including reimbursable perquisites with monetary ceilings.

The variable compensation will be in the form of cash bonus, cash based Long Term Incentive Plan, share-linked instruments, as applicable. The share-linked instruments include and is not restricted to Employee stock options/ units of ICICI Bank Ltd. governed by the Employee Stock Option Scheme- 2000 and Employees Stock Unit Scheme – 2022 of ICICI Bank Ltd. as amended from time to time. The quantum of variable pay for an employee will not exceed 300% of the total fixed pay in a year.

Long Term Incentive grant will be approved by the Committee every year based on the principle of performance and criticality of the job. The vesting of Long-Term Incentives will be normally spread over a period of three years or more.

For Whole Time Directors (WTDs), Key Managerial Personnels (KMPs), Senior Management (SMPs) and Leadership Team (LT) of the Company who are eligible for ICICI Bank ESOS, where the performance bonus is `25 lacs and above, at least 50% of the performance bonus component of the variable pay will be under deferment. If the cash component is under `25 lacs, the deferment shall not be applicable. This will be applicable from April, 2026 for KMPs, SMPs and relevant LTs.

2.4 The deferral period would be spread over a minimum period of three (3) years (deferment period). The frequency of vesting will be on annual basis and the first vesting shall not be before one year from the commencement of deferral period. The vesting shall be no faster than a prorata basis. Additionally, vesting will not be more frequent than on a yearly basis. In case of employee's retirement or resignation, the deferred cash performance bonus shall follow the deferment schedule of respective cash grant and the long-term variable pay (sharelinked instruments/LTI) shall be treated as defined in Employee Stock Option Scheme- 2000 of ICICI Bank Ltd. / Employees Stock Unit Scheme – 2022 of ICICI Bank Ltd/ LTI scheme of the Company as applicable. In case of employee's death or permanent disability, whole of the deferred variable pay (Cash performance

bonus, Cash LTI and share-linked instruments) shall immediately vest in the employee's successors, or the employee, as the case maybe.

Employee Stock Options & Employee Stock Units

2.5 Employee Stock Options (Options) and/or Employee Stock Units (Units) are and will be a part of the total compensation structure for certain employees of the Company.

2.6 ESOPs, currently governed by the Employee Stock Option Scheme- 2000 ("Scheme 2000") and ESUS granted in accordance with Employees Stock Unit Scheme-2022 of the Bank as amended from time to time and in line with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other applicable regulations, aim at achieving twin objectives of aligning compensation to long term shareholders' interests and retention.

2.7 The Company shall account for such cost as per the applicable cost sharing arrangement with the Bank within the framework of related party transactions.

Malus and Claw back

2.8 In the event of:

- act of willful or gross misconduct or neglect,
- the commission of felony, fraud, misappropriation, embezzlement, breach of trust or an offence involving moral turpitude or breach of integrity,
- gross or willful insubordination, or
- any other act detrimental to the interest of the Company including and not restricted to violation of ICICI Group Code of Business Conduct & Ethics, violation of Framework for dealing with Conflict of Interest, violation of rules and regulations of the Company, failure to discharge fiduciary and regulatory duties – and in respect of which the Company would reserve the right to institute appropriate civil, criminal or other proceedings at the risks, costs and consequences of such individual's (including employees who were transferred or deputed or resigned to join a Subsidiary/Associate Company/Holding Company), the NRC (in case of WTDs/ KMPs/ SMPs) or the appropriate Disciplinary Action Committee/ Appellate Authority or the MD & CEO in consultation with the Head - HR (for other employees receiving/ received deferred variable pay – cash-based variable pay and/or share-linked instruments/ LTI), may decide to apply Malus and /or Clawback

on part or all of the variable pay including unvested/vested/paid deferred variable pay. Due process including inquiries or investigations as required and/or adherence to principles of natural justice are ensured prior to conclusion on the above events of breaches and which would form the basis of decisions. Error of judgment shall not be construed to be a breach under this policy. In case the provisions of malus and clawback is applied on employees who are also recipient of ICICI Bank Stock options/units, the details would be presented to the Bank's BGRNC and the Board.

The benefits accrued and/or availed under the Employee Stock Option Scheme- 2000 or Employees Stock Unit Scheme-2022 of ICICI Bank Ltd. shall be subject to malus and clawback conditions in line with the extant Compensation Policy of the Bank as amended from time to time and relevant RBI guidelines as amended from time to time.

Annual reporting of application of Malus and/or Clawback by the Head - HR will be made to the NRC for being noted.

Clawback in relation to share-linked instruments and/or cash LTI applies on grants made with effect from April 1, 2023 for the balance length of service/employment of the concerned person with the Company, and shall survive the resignation, retirement, early retirement or termination of the concerned person and be applied for the Deferment Period as applicable to Deferred Variable Pay in terms of this Compensation Policy. Similarly, malus in relation to share-linked instruments and/or cash LTI (including deferred LTI) will apply on grants made with effect from April 1, 2023. For share-linked instruments, this is in addition to and without contradicting the existing clause in the applicable ICICI Bank Employees Stock Option Scheme 2000 ("Scheme 2000") and ICICI Bank Employees Stock Unit Scheme – 2022 ("Scheme 2022") and extant Compensation Policy of the Bank.

In respect of Clawback for performance bonus paid, the same shall continue to be applicable for WTDs as per the previous policies and declaration. For KMPs, SMPs and relevant LTs it shall be effective April 2026. Clawback shall be applied for the Deferment Period as applicable to Deferred Variable Pay in terms of this Compensation Policy for the balance length of service/employment of the concerned person with the Company

and shall survive the resignation, retirement, early retirement or termination of the concerned person. Similarly, malus will apply.

The WTDs/ KMPs/ SMPs and other eligible employees will be required to sign revised terms governing compensation (including Malus/Clawback on Variable Pay/Deferred Variable Pay).

While situations may arise requiring applying malus and/or clawback to employees who may have resigned, retired or taken early retirement or been terminated, the same shall be done basis the given facts and circumstances, and through due legal process for recovery of amounts adjudged for clawback or as damages suffered or as recoverable by the Company.

The terms and conditions of grant of variable pay for employees who have been transferred from group companies continues to be applicable as per the extant policy of the issuer.

Guaranteed bonuses

- 2.9 Guaranteed bonuses are not consistent with the principles of meritocracy and the Company will not encourage any kind of guaranteed bonus. Joining or sign-on amount will occur in the context of hiring a new staff and will be limited to first year. Such amount will not be considered part of fixed or variable pay.
- 2.10 Further, other than accrued retirement benefits (such as provident fund and gratuity payable on retirement) or any benefits arising under the employee early retirement scheme or any payments or benefits mandated by applicable law, no severance pay will be paid to WTDs/ KMPs/ SMPs.

Disclosure and engagement by stakeholders

- 2.11 The Company will be compliant with the disclosure requirements as may be required by the Companies Act or any other regulatory guidelines.