

Alignment of Interest Policy

Policy for alignment of interest for Key Employees

Purpose:

This policy establishes a structured, transparent, and equitable compensation system tailored to the responsibilities and risks associated with financial intermediation. It aims to reinforce accountability at the senior management level by integrating sound governance, performance evaluation, and compensation practices.

The framework promotes responsible behavior and long-term value creation by aligning the interests of Key Employees—defined per the updated Non-Banking Finance Companies and Notified Entities Regulations, 2008 (“NBFC Regulations”)—with those of Mahaana Wealth and the investors in the Collective Investment Schemes (CIS) managed by the Company.

The policy supports ethical conduct, sustainable performance, and full compliance with legal, regulatory, and corporate governance requirements.

Policy for alignment of interest for Key Employees:

This policy applies to the following Key Employees, as specified under the NBFC Regulations:

- i. Chief Executive Officer (CEO)
- ii. Chief Investment Officer (CIO)
- iii. Head of Investment Committee

Variable Compensation Structure:

Strategic Bonus Framework:

Bonus Withholding: 10% of the annual bonus of each Key Employee will be withheld and locked for a one-year period.

Investment Mechanism: The withheld portion—referred to as the Withheld Bonus—will be invested in units of mutual funds managed by Mahaana Wealth.

Access Restriction: During the lock-in period, Key Employees will have no control or access to the Withheld Bonus.

Deferral and Lock-In Rules:

- **Post Lock-in Release:** After one year, the Withheld Bonus will be disbursed in the form of mutual fund units based on their fair market value at the time of release.
- **Early Redemption:** Allowed only upon official retirement (at superannuation age).

- **Forfeiture Conditions:** The Withheld Bonus will be forfeited in cases of termination due to fraud, theft, misappropriation, mis-selling, or violation of the Company's Code of Conduct, as determined by internal procedures.
- **Compliance Requirement:** Continued eligibility is subject to ethical conduct throughout the lock-in period.
- **Resignation Clause:** If a Key Employee resigns, the Withheld Bonus will still be released after the one-year period, provided there are no compliance violations.

Operational Guidelines:

- The Withheld Bonus will be placed in Mahaana Wealth's Money Market Fund.
- Each eligible employee will be assigned a dedicated folio, secured under a Company lien.
- Employees may view their holdings but cannot redeem or transfer them during the lock-in period.
- Oversight and administration will be managed jointly by the Compliance and HR Departments.

Disclosure & Communication:

- The total bonus amounts, including the value of mutual fund units awarded and the respective scheme returns, will be disclosed in the Company's annual financial statements.
- A one-time training session will be held for current Key Employees to ensure full understanding of the policy.
- At the time of bonus eligibility, a detailed policy briefing will be provided.
- Newly appointed Key Employees will be trained during their onboarding.
- A complete audit trail will be maintained for compliance verification.
- The final approved policy, along with a summary of any exemptions, will be published on the Company's official website and in the annual report.

Review and Revisions:

The Board's Compensation Committee will be responsible for monitoring the implementation of this policy and may periodically review and amend it to ensure its continued relevance and alignment with the Company's strategic direction.

Applicability:

The provisions of this Policy shall apply to the financial year 2025–26 and subsequent years, effective from July 1, 2025.