

### **Compensation Policy of INFINA Finance Private Limited**

In line with the regulatory framework for issued by Reserve Bank of India ("RBI"), the Company has constituted a Nomination & Remuneration Committee ("NRC"). This policy has been prepared in accordance with RBI Directions read with Section 178 of Companies Act, 2013 (the "Act") and the applicable rules, as amended from time to time.

#### **Objective:**

- To maintain fair, consistent, and equitable compensation practices in alignment with strategic business goals.
- To ensure effective governance of Compensation and alignment of compensation practices with prudent risk taking.
- To have mechanisms in place for effective supervisory oversight and Board engagement in Compensation.
- To ensure that the Compensation practices are within the regulatory framework.

INFINA aims to maintain a fair balance between the compensation rewards that is perceived as necessary to remain competitive in the marketplace and the fundamental fairness to all stakeholders, taking into account the risk and return on their investment.

#### **1.0 Definitions:**

1. "Board or Board of Directors" shall mean the Board of Directors of the Company.
2. "Company" shall mean Infina Finance Private Limited
3. "NRC" shall mean the Nomination & Remuneration Committee of the Company.
4. "Key Managerial Personnel" shall mean personnel who is appointed as such as per recommendation of NRC & approval of the Board of the Company read with Section 2(51) of the Companies Act, 2013, as amended from time

#### **2.0 Coverage & Applicability:**

This Policy is applicable to Senior Management of INFINA and covers the following:

1. Compensation Philosophy
2. Remuneration Committee & Review Process
3. Forms of Compensation
4. Employee Classification
5. Compensation Composition and Applicability

#### **3.0 Nomination and Remuneration Committee (NRC) review process:**

The NRC will meet at least once a year for Compensation Review and has the following responsibilities.

1. Oversee the overall design and operation of the compensation policy of the Company
2. Keep in mind overall health of the Company.
3. Approve the compensation of the employees in Category I of the Company.
4. Review the Remuneration Disclosure Requirements annually, if applicable.

#### **4.0 Forms of Compensation:**

Compensation structure is broadly divided into Fixed and Variable.

- i. Fixed Pay: is defined as Total Cost to Company i.e. Salary, Retirals and other Benefits and will include imputed value of benefits like Housing and Car. The Fixed portion of the compensation shall be reasonable, taking into account relevant factors including the industry practice, competency, competition, grade and performance of the employee.
- ii. Variable Pay: Variable Pay is linked to assessment of performance and potential. This would be based on Key Result Areas (KRAs), Standards of Performance (SOPs) and achievement of targets with overall linkage to Company Budgets and business objectives.

Depending on the nature of the business/function, the risk involved, the time horizon for review of quality and longevity of the assignments performed, various forms of Variable Pay may be applicable.

The main forms of such incentive compensation will include:

Cash – this may be at intervals ranging from Monthly, Quarterly, Annual

Deferred Cash

- iii. Deferred Incentive Plan: this may be as part of Retention or performance linked plan for retaining talent and may be in the form of Cash / Deferred Cash payable over a period of time.
- iv. Joining Bonus: These may be offered sparingly for recruitment of new staff. Joining bonus, if offered, will be limited to the first year of service.
- v. Severance Pay: INFINA Finance Private Limited does not grant Severance Pay (other than accrued benefits in the form of Provident Fund, Gratuity or Superannuation) except in cases where it is mandated by statute.

## 5.0 Employee Classification

Employees have been broadly classified into the following groups:

- i. Category I: Comprising MD and / or Chief Executive Officer (CEO) and/or KMP
  - ii. Category II: Material Risk Takers (MRT's). These include the employees whose actions have material impact on the risk exposures of Infina and who satisfy both – qualitative and quantitative criteria, as given below
    - a. Qualitative Criteria: Employees in grade M9 and above.
- Quantitative Criteria: FCTC is Rs. 1 crore p.a. and above.
- iii. Category III: Comprising staff in grade M7 and above, excluding employees covered in Category II & Category I.
  - iv. Category IV: All other employees not explicitly covered above.

## 6.0 Compensation Composition and Applicability:

The ratio of Variable Pay to Fixed Pay and the ratio of Cash v/s Non-Cash within Variable Pay is outlined for each category of employee classification mentioned earlier.

For Category I & Category II – Variable pay **will not exceed 100%** of fixed pay. Cash component paid during the year will not exceed 50% of the variable pay and balance 50% will be deferred over a period.

For Category III - Variable pay **will not exceed 75%** of fixed pay. Cash component paid during the year will not exceed 50% of the variable pay and balance 50% will be deferred over a period.

For Category IV - Variable pay **will not exceed 50%** of fixed pay. Cash component paid during the year will not exceed 50% of the variable pay and balance 50% will be deferred over a period.

For all above categories:

Any variation in policy from above, shall be with approval of the NRC.

## 7.0 Malus & Clawback: Both these clauses are applicable only on Variable Pay

- i. Malus: Payment of all or part of amount of variable pay / deferred Variable Pay can be prevented. This clause will be applicable in case of
  - a. Disciplinary Action (at the discretion of the NRC) and/ or
  - b. Significant drop in performance of Individual/ Business/ Company (at the discretion of the NRC)
  - c. Resignation of the staff prior to the payment date.
- ii. Clawback: Previously paid or deferred Variable Pay can also be recovered under this clause. This clause will be applicable in case of:
  - a. Disciplinary Action (at the discretion of the NRC)

Earlier Review Date	17 <sup>th</sup> July 24
Current Review Date	26 <sup>th</sup> April 24