COMPENSATION POLICY

In line with the regulatory framework issued by Reserve Bank of India ("RBI"), the Company has constituted a Nomination & Remuneration Committee ("NRC"). This policy has been prepared in accordance with the applicable 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 are 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" (KMP) 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.
5. "Senior Management Personnel" (SMP) shall include Key Managerial Personnel (KMP) and other senior officials of the Company who report directly to the Board or any Committee of the Board, including officials heading key Control, Assurance and Vigilance functions.

   Accordingly, SMP shall include:

   i. Key Managerial Personnel (KMP);
   ii. Whole-time Directors (WTDs); and
   iii. Other key functionaries reporting directly to the Board/ Committees, including:
      a) Chief Compliance Officer (CCO);
      b) Chief Risk Officer (CRO); and
      c) Head of Internal Audit / Internal Audit Head.

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

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3.0 Nomination and Remuneration Committee (NRC) review process:

The NRC will meet at least once a year for a 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 the 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 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 the 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 the recruitment of new staff. A joining bonus, if offered, will be limited to the first year of service.

v. Committed Bonus: These may be offered sparingly for recruitment of new staff in form of Confirmation Bonus, Guaranteed Bonus & 1 Year Completion Bonus. The committed bonus, if offered, will be limited to the first year of service.

vi. Sales Incentive: Sales Incentive is a variable pay component linked to achievement of business targets, performance parameters and other criteria as determined by the Company from time to time. The structure, eligibility and payout of the incentive shall be governed by the applicable incentive plan approved by the Management.

vii. Long Term Incentive Plan (LTIP): The Long-Term Incentive Plan (LTIP) is a cash incentive awarded over and above the deferred incentive declared as part of the annual appraisal process and is intended to support long-term performance and retention of eligible employees. The LTIP amount shall be payable over a period of three (3) years from the date of declaration, in accordance with the applicable payout schedule, subject to a minimum performance rating of "Meets Expectations.

viii. 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 and/or SMP.

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.
   b) 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.

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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.

For **Category III & Category IV** - Variable pay **will not exceed 75%** of fixed pay.

Note: If Variable Pay exceeds 15 Lakhs, then the cash component payout will be 50% of variable pay or 15 lakhs, whichever is higher. Balance 50% will be deferred equally over a 2-year period.

***For all the above categories: Any variation in policy from above shall be with approval of the NRC.**

7.0 Malus & Claw back:

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. **Claw back:** 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)

8.0 Retirement and Extension of Service:

i. The retirement age shall be 60 years. The last working day shall be the last working day of the month in which the employee attains retirement age, based on the recorded date of birth.
ii. Any extension of service beyond the retirement age of 60 years, whether as an employee or consultant, or early retirement at the age of 58 years, including for Whole-Time Directors (WTDs) and Managing Directors (MDs), shall require approval of the NRC.
iii. In case of retirement, extension of service or early retirement, LTIP and deferred payouts shall continue as per the originally declared payout schedule, subject to compliance with the applicable non-compete and other post-employment obligations prescribed by the Company. Any breach of such obligations shall result in forfeiture of unpaid payouts.
iv. Any specific retirement-related scenario or exception may be referred to the NRC for consideration and approval.

Earlier Review Date	22nd July 2025
Current Review Date	14th May 2026

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