

POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP), SENIOR MANAGERIAL PERSONNEL (SMP) AND OTHER EMPLOYEES AND SUCCESSION PLANNING

1. Introduction

This Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 ("the Act") read along with the applicable rules thereto and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This policy has been formulated by the Nomination and Remuneration Committee ("NRC") of 3i Infotech Limited ("the Company") and has been approved by the Board of Directors upon recommendation of NRC.

Regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'SEBI Listing Regulations'), inter alia, reads, the Board of Directors of the listed entity shall satisfy itself that plans are in place for orderly succession for appointment to the Board of Directors, KMP and SMP and NRC will develop the plan of succession.

2. Definitions

"Director" means a director appointed to the Board of the Company.

"Independent Director" means an independent director referred to in sub-section (5) of Section 149 of the Act read with rules thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

"Key Managerial Personnel (KMP)" means:

- i. Managing Director or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii. Company Secretary;
- iii. Chief Financial Officer and
- iv. such other officer as may be prescribed.

“Nomination and Remuneration Committee” means the committee constituted by the Company in accordance with the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

“Senior Management (SMP)” shall mean officers/personnel of the Listed entity who are members of its core management team excluding Board of Directors and shall also comprise all identified members of management not more than one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) including the Company Secretary and the Chief Financial Officer.

3. Objective

The objective of the policy is -

- i. To ensure that Whole Time Directors, KMP, SMP and other employees of high caliber are attracted and retained and are sufficiently compensated for their performance. The Policy seeks to provide criteria for determining qualifications and positive attributes of the employees.
- ii. To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down herein after.
- iii. To evaluate the performance of the Whole time Directors, KMP, SMP and other employees.
- iv. To recommend to the Board on Remuneration payable to the Whole time Directors, KMP, SMP and other employees.
- v. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Whole time Directors, KMP, SMP and other employees.
- vi. To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- vii. To ensure that remuneration involves a balance between fixed pay and performance related pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

- viii. To ensure the identification and systematic development of individuals in the senior management level to replace when the need arises due to death, disabilities, retirements, resignation, performance and other unexpected occurrence.

4. Scope

This Policy sets out the guiding principles for the NRC for recommending to the board of Directors of the Company ("Board") the remuneration of the Directors, KMP, SMP and other employees of the Company and succession planning for them.

5. Policy Statement and Guidelines for determining Remuneration

The Policy is largely based on industry benchmarks, the Company's performance vis-à-vis the industry, peer group comparison, factors like inflation rate in the country and performance of the employees.

There are various factors to ascertain the remuneration of Whole time Directors, KMP, SMP and other Senior Executives, which are highlighted here below:

- i. Qualification & Experience
- ii. Length of Service
- iii. Potential
- iv. Leadership Qualities and values

a. For the Whole Time Directors/ Executive Directors :

- The Board on the recommendation of the NRC shall review and approve the Remuneration payable to Whole-time Directors/ Executive Directors.
- The Remuneration to be paid to Managing Director / Whole-time Directors/Executive Directors etc. shall be governed as per provisions of the Act and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- The Remuneration Structure may include basic salary, perquisites and allowances (both fixed and variable component), stock options, retirement benefits, performance bonus to its Whole time Directors.

- Perquisites, retirement benefits and annual performance bonus shall be paid according to the Company policy and applicable laws and regulations. Performance Bonus will be approved by NRC based on achievements against the Annual Plan and Objectives.
- They may also be entitled to customary non-monetary benefits such as company car and company health care, telephone & accommodation on case to case to basis,.

b. For the Independent and Non-Executive Directors:

- Independent Non-Executive Directors shall receive sitting fees for attending the Meeting of the Board and Committees of the Board.
- The sitting fees paid to the Independent Non-Executive directors is determined periodically & reviewed based on the industry benchmarks and as per provisions of the Act.
- Independent Non-Executive Directors are appointed for their professional expertise and skills in their individual capacity as independent professionals.
- An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company as per regulatory provisions.
- The Non-executive Directors may also be entitled to profit related commission in addition to the sitting fees, as may be decided by the shareholders of the Company, from time to time depending on the profits of the Company in each financial year.
- Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

c. For the KMP, SMP and other Employees:

- The Board on the recommendation of the NRC shall review and approve the Remuneration payable to KMP, SMP and other employees.
- The remuneration of other KMP, SMP and other employees largely consists of basic salary, perquisites, and allowances (both fixed and variable). Perquisites and retirement benefits are paid according to the Company policy.
- The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification & experience/merits, performance of each employee. The Company while deciding the remuneration package takes into consideration current employment scenario and remuneration package of the industry and its peer group.
- Employees are assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration is determined within the appropriate grade and is based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

6. SUCCESSION PLAN/ APPOINTMENT TO THE BOARD

The Nomination & Remuneration Committee (NRC) is responsible for ensuring that the Board has an appropriate mix of skills, experience and expertise.

As and when any change is suggested to the Board, the NRC shall apply a due diligence process to determine the suitability of the person whose candidature is being considered for appointment or re-appointment as a Director of the Company based on his/ her qualification, experience & track record, contribution and accordingly any appointment or re-appointment of a Director shall be recommended by the NRC to the Board of the Company.

7. SUCCESSION PLAN/APPOINTMENT FOR THE KMP/ SMP

- The Managing Director/ CEO along with the CHRO shall periodically review and consider the list of KMP/ SMP due for retirement / vacancies arising out of attrition,

performance or otherwise. He/she shall also consider the new vacancies that may arise due to changing business needs/ restructuring of functions/departments.

- MD/CEO/ CHRO will frame guidelines for succession planning of all members of senior management including identifying the successors for key roles and their training and progression path to take over the senior roles. Such a plan should be presented to and approved by NRC with regular updates in case of any changes.
- In case, if an KMP/ SMP is due for retirement, the Managing Director/ CEO along with the CHRO will evaluate the possibility of an extension of such personnel on basis of the health, age and the person's willingness to continue for an extended term. In case an extension is feasible, such a case shall be forwarded to the NRC for its approval.
- In case such positions are to be filled internally or externally, the Managing Director/ CEO along with the CHRO will evaluate the suitable candidates for the said positions on basis of the criteria such as job role, experience, leadership qualities, values, competencies, track record etc.
- Once the identification process is completed by the Managing Director/ CEO, the shortlisted candidates shall be referred to the NRC for a final evaluation and clearance for the appointment.
- The recommendation of the NRC shall be placed before the Board for approval, wherever necessary.
- The Managing Director/ CEO along with CHRO, shall from time to time identify high potential employees who merit faster career progression to the position of higher responsibility and give them adequate skill development and training requirements for their successful career progression.
- In the event of any unexpected occurrence in respect of any member in the SMP/ KMP group, the MD/CHRO will evaluate and if required and found fit, may nominate one of the existing employees to take interim charge of the position, pending a regular appointment in terms of the succession plan.

- In addition to the above, the appointment of KMP/ SMP to be made in compliance with all applicable provisions of the Companies Act, 2013 (including the rules made thereunder) and the SEBI Listing Regulations.

8. Policy Review & Future Amendment

This policy shall be reviewed by NRC as and when any changes are to be incorporated in the Policy due to changes in Regulations or as may be felt appropriate by the NRC. Any changes or modifications in the Policy as recommended by the Committee would be given for approval for the Board of Directors.

9. Disclosures

The Policy shall be made available on the website of the Company and necessary disclosures of this policy shall be made in the Annual Report of the Company in terms of Section 178 of the Act and SEBI LODR

Reviewing Authority	Nomination and Remuneration Committee
Approving Authority	Board of Directors
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