1. Introduction & Philosophy

As per Section 178 of the Companies Act, 2013, The Nomination and Remuneration Committee (NRC) is required 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 directors, key managerial personnel and other employees. The NRC shall, while formulating the policy ensure that—

a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Accordingly, FreeCharge Payment Technologies Pvt Ltd (FreeCharge) remuneration policy is designed to attract, retain and reward high quality talent within the increasingly competitive environment in which it operates. It is underpinned by principles of meritocracy and fairness. FreeCharge’s pay-for-performance approach strives to ensure both internal and external equity in line with emerging market trends. However, the business model and the allocated budget form the overarching boundary conditions.

FreeCharge strives to maintain strong focus in the areas of compensation governance and ensures that the compensation systems are in line with compensation regulations, including guidelines as defined by The Companies Act, 2013, as applicable.

This Policy seeks to:

• Ensure the linkage of compensation with individual performance as established against a set of balanced parameters as well as alignment with FreeCharge’s corporate objectives
• Reinforce a culture of meritocracy and differentiate and reward performance
• Balance the mix of Fixed and Variable Pay to appropriately reflect the value and responsibility of the role performed day to day
• Ensure the policy is consistent with and promotes the company’s commitment to compliance and controls
• Ensure reasonable and fair rewards administration, in alignment with best governance & regulatory practices

2. Coverage:

This Policy provides the remuneration guidelines for:

• Non-Executive Directors including Independent Directors,
• Managing Director (MD), Whole Time Director (WTD), other executive Directors and Chief Executive Officer (CEO).
• Other Key Managerial Personnel (Chief Finance Officer and Company Secretary)
• Senior Management and other employees of FreeCharge.

3. General Provisions related to Appointment and Remuneration of Directors and Key Managerial Persons

Appointment:
• The terms and conditions for Non-Executive Directors including independent Directors, KMP’s, is governed as per the provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time.
• In terms of provisions of Section 196 (2) of the Companies Act, 2013, a Managing Director and Whole-Time Director can be appointed for a period not exceeding 5 years, subject to him/her being above the age of 21 years and not having attained the upper age limit of 70 years during the appointment. Provided that the term of the above-mentioned persons may be extended beyond seventy-one years of age by passing special resolution.
• An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board’s report

Remuneration:
• The remuneration / compensation / commission etc. to Directors and CEO will be determined by the Committee and recommended to the Board for approval.
• The remuneration / compensation / commission etc. shall be subject to the approval of the board of Directors and shareholders of the Company.
• The remuneration and commission to be paid to Directors shall be as per the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force and as amended from time to time.
• Increase to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within permissible monetary limits as prescribed under the Companies Act, 2013 and rules made thereunder. Such increase/revision shall also require the approval from the shareholders by mean of a resolution passed at the meeting of shareholders.

4. Remuneration of Non-Executive Directors, Executive Directors Including Managing Director, Whole Time Director, CEO, KMP & Other Employees Of Freecharge.

A. Non-Executive Directors (NEDs)
• The Non-Executive Directors of Freecharge would not be entitled to remuneration or profit related commission, if any.
• The Non-Executive Directors of Freecharge shall be entitled to reimbursement of expenses for attending the meetings of Board & Committees and such other expenses, incurred by them in discharge of their duties for Freecharge.
• Subject to the recommendation of the NRC and approval of the Board, the Non- Executive Director may receive fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount payable for attending the meeting of the Board or Committee, as provided in the Companies Act, 2013
Independent Directors:

• The Independent Directors are entitled to fees for attending meetings of Board or Committee thereof as approved by the Board of Directors of Freecharge on the recommendation of the NRC.

• The Independent Directors of Freecharge shall be entitled to reimbursement of expenses for attending the meetings of Board & Committees and such other expenses, incurred by them in discharge of their duties as Independent Directors for Freecharge.

B. Executive Directors (Managing Director & Whole-Time Director) and CEO

The remuneration for MD and WTD or any other ED shall be within the limits as per Sections 197, Schedule V and other applicable provisions of Companies Act, 2013.

The guidelines governing remuneration for the MD, WTD, ED and CEO are as follows:

Fixed Pay
• Basic Salary
• Fixed/ Cash Allowances (as applicable)/ Other allowances & perquisites as may be decided by the Board of Directors of FreeCharge, from time to time.

Retiral Benefits
• As per Employment Terms.

Variable Pay: Progressive Incentive Earnings (PIE)
• As decided by the board basis recommendations from NRC from time to time.

Compensation Revision Cycle
• Annual revision in compensation to be followed as per defined process.

C. Other Key Managerial Persons, Senior Management & Other Staff

The terms of appointment and the remuneration of other Key Managerial Persons e.g. Chief Financial Officer and Company Secretary and the overall remuneration guidelines & budget for other staff would be decided by the board basis recommendations from NRC. The salary structure will constitute of the following heads:

Fixed Pay
• Basic Salary
• Fixed Allowance/Cash allowances / Other Allowances /Perquisites as applicable

Retiral Benefits
• As per Employment Terms.

Variable Pay: Progressive Incentive Earnings (PIE)
• The variable pay will be determined basis policy approved by the Board and the NRC from time to time and will take organization and individual performance into consideration.

COMPENSATION REVISION CYCLE
• Annual revision in compensation to be followed as per defined process.
4. **Authorization Schedule:**

The authorization schedule will set out to provide powers to the MD & CEO and the Head HR to review/ratify/approve any special compensation interventions at a company level provided that it is ratified by the Nomination & Remuneration Committee and the Board of Directors at its subsequent meeting.

5. **Review**

This Policy shall be reviewed annually by the Nomination & Remuneration Committee pursuant to any changes to the applicable provisions of the Company’s Act, 2013 and Rules made thereunder, or as deemed appropriate.

Any amendment to this Policy would be subject to its review by the Nomination & Remuneration Committee and the approval of the Board of Directors of FreeCharge.

6. **Disclosures**

The details of remuneration paid to the Directors and other employees of FreeCharge, in terms of this Policy, shall be made in the Annual Financial Statements of FreeCharge, in terms of the relevant provisions of the Companies Act, 2013 and the Rules made thereunder. The details of this Policy shall also be disclosed in the Annual Report as part of Board’s Report therein

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