



# **Freecharge Business and Technology Services Ltd.**

Comprehensive Remuneration Policy

## **1. INTRODUCTION & PHILOSOPHY**

Freecharge Business and Technology Services Limited (FBTSL) 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. FBTSL'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.

FBTSL 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 FBTSL's corporate objectives.
- Maintain the ability to attract, retain and reward employees to enable the Company to attain its strategic objectives within the increasingly competitive context in which it operates.
- 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.
- Align compensation programs, structures and decisions with shareholder interests and regulatory guidelines.

## **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 FBTSL.

## **3. Remuneration Guidelines**

- The remuneration / compensation / commission etc. to Directors and CEO will be determined by the Board.
- The remuneration / compensation / commission etc. shall be subject to the approval of the board of Directors and shareholders of the Company as may be required.
- 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 of Directors 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 means of a resolution passed at the meeting of shareholders.



#### **4. REMUNERATION OF NON-EXECUTIVE DIRECTOR, MANAGING DIRECTOR, WHOLE TIME DIRECTOR, CEO AND KMP & OTHER EMPLOYEES OF FBTSL.**

##### **A. NON-EXECUTIVE DIRECTORS (NEDs)**

- The Non-Executive Directors of FBTSL would not be entitled to remuneration or profit related commission, if any.
- The Non-Executive Directors of FBTSL 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 FBTSL.
- The Non- Executive Director may receive sitting fees for attending meetings of Board or Committee thereof as approved by the Board and within the overall limits as prescribed under Rule 4 of the Companies (Appointment & Remuneration) Rules, 2014, as amended, from time to time.

##### **B. INDEPENDENT DIRECTOR:**

- The Independent Directors are entitled to sitting fees as approved by the Board of Directors of FBTSL
- The Independent Directors of FBTSL 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 FBTSL.
- Subject to the provisions of Companies Act,2013, the total tenure of an Independent Director of FBTSL on the Board shall not exceed 10 years. No independent Director shall hold office as director for more than 2 consecutive terms of 5 years each.

##### **C. Executive Directors (Managing Director (MD),Whole-Time Director(WTD)) and CEO**

- The remuneration for MD ,WTD and CEO shall be within the limits as per Section 197, Schedule V and other applicable provisions of Companies Act,2013. The terms and conditions relating to the appointment including remuneration of the Managing Director /Whole-time Directors of the Company and its revision will be considered by Board and will be subject to the approval of the shareholders of the Company.
- The guidelines governing remuneration for the MD, WTD & CEO are as follows:

###### **1. Fixed Pay**

The fixed portion of compensation for MD, CEO and other Whole Time Directors shall be reasonable, taking into account all relevant factors including adherence to statutory requirements and industry practice.

All the fixed items of compensation, including the perquisites constitute 'Fixed Pay'.

- a) Monthly fixed salary
  - ❖ Basic salary
  - ❖ All cash allowances
  - ❖ Other allowances and perquisites as may be decided by the Board of Directors of the Company, from time to time.
- b) Retirals – As per Company's Policy



## **2. Variable Pay: Progressive Incentive Earnings (PIE)**

a) As decided by Board from time to time.

## **3. Stock Option (optional):**

Stock Options (under the Employee Stock Option Scheme of the Axis Bank Ltd.) as may be decided by Axis Bank, from time to time, subject to eligibility criteria and such approval as may be required.

## **4. Other Terms:**

a. No sitting fees will be paid to Managing Director / Whole-time Directors for attending the meetings of the Board/ Committees thereof.

## **COMPENSATION REVISION CYCLE**

Annual revision in compensation to be followed as per defined process. The compensation cycle of the Company is from 1<sup>st</sup> April to 31<sup>st</sup> March every year. However, in certain cases, compensation revision may take place during the course of the year. These revisions could occur in lieu of any promotion or Internal Job Posting (IJP) opportunities.

## **D. Other Key Managerial Personnel , Senior Management & Other Staff**

The overall remuneration guidelines & wage bill for all staff for the entire year would be approved by the board. The staff under Risk and Compliance function shall be compensated in a manner that is independent of the business areas they oversee. The compensation system should be able to attract, retain and motivate the best of talent in the function, while ensuring that their compensation is not affected by the short term goals. The remuneration structure will constitute the following heads:

### **1. Fixed Pay**

All the fixed items of compensation, including the perquisites constitute 'Fixed Pay'.

- a) Monthly fixed salary
  - Basic salary
  - All cash allowances
  - Other allowances, incentives, bonuses and perquisites - As per Company's Policy
  
- b) Retirals – As per Company's Policy

## **2. Variable Pay: Progressive Incentive Earnings (PIE)**

PIE will be paid as decided from time to time and will take individual performance into consideration. Company shall use a combination of financial and non-financial measures to assess performance of employees to take decision on grant of Total Variable Pay. For control functions, the parameters will be independent of



performance of the business area control functions oversee and will commensurate with their key role in the Company.

### **3. Periodic Variable Pay for front line Sales**

FreechargeBiz does not operate any commission-driven incentive schemes for employees. Instead, FBTSL rewards frontline staff through Periodic Variable Pay plans that are fully aligned with their Key Result Areas (KRAs), which include customer-centric metrics. This ensures that employee rewards are tied to balanced outcomes (such as service quality, compliance or customer satisfaction) rather than volume alone, reinforcing a customer-first approach.

All periodic variable pay plans have stringent guardrails in place. Specifically, each plan defines a minimum performance threshold (gating criteria) that must be met for any payout to occur. Payout capping mechanisms are in effect to prevent disproportionate rewards, and holdback provisions allow FBTSL to withhold or reduce payouts if warranted (for example, in cases of policy violations or customer complaints). These controls ensure payouts are prudent and justified, aligning employee incentives with long-term customer-centric performance rather than short-term sales.

FBTSL reviews the KRAs of frontline employees annually to keep them relevant and aligned with our strategic priorities. For FY 2026–27 too, FBTSL submits that these KRAs shall be reviewed for further strengthening with increased emphasis on customer-centric outcomes. Any areas identified for enhancement ( ) will be incorporated into the performance goals for frontline roles in FY27. This forward-looking step ensures continuous improvement of FBTSL’s variable pay alignment with customer interests.

FreechargeBiz has implemented a two-tier monitoring mechanism to oversee outcomes of the variable pay programs and safeguard against any unintended consequences:

- The Risk Management team at FBTSL currently monitors employees who are consistent high performers across FBTSL. This scrutiny helps detect any anomalous patterns early (for instance, if unusual and consistent high performance is achieved through means that could undermine customer outcomes).
- By having both Risk and Business teams involved in oversight, FBTSL ensures a comprehensive check-and-balance: any outlier performance or conduct issues can be investigated and addressed promptly, thereby upholding customer-centric conduct in frontline sales.



#### **4. Provisions for Periodic Variable Pay::**

- Employees in certain sales/hygieneroles may be covered under periodic variable pay plans.
- The final payout under such plans shall depend on a cumulative outcome of performance across multiple KRAs rather than a single parameter. The KRAs for which the outcomes/scores are not available in the frequency matching that of the payout may be excluded for determination of periodic variable pay.
- Each of these periodic variables pay plans shall have the following characteristics:
  - I. Minimum threshold for payout – Akin to the criteria surrounding minimum performance rating in case of annual variable pay plans, there shall be a minimum performance threshold required for periodic variable pay.
  - II. No element in the plan shall be in the form of commission (i.e. payouts which follow a linear scale and are on a per unit basis) For the purposes of this plan, commission refers to payouts that are calculated as a percentage of achievement, follow a linear scale linked to performance levels, or are determined on a per-unit basis of output or transaction.
  - III. The computation of the quantum of periodic variable pay shall be conducted by a team independent to the team for which the periodic variable pay is being run.
  - IV. In order to drive a strong risk and compliance culture at FBTSL, similar to annual variable pay, the periodic variable pay amounts may be held back/reduced/cancelled in case of compliance/disciplinary issues, including but not limited to proven instances of missell, proven customer complaints. Further, given the higher frequency of payout, sample-based checks for shall be performed to check for instances of misconduct, policy violation, excessive risk taking etc., including checks before performance attribution
- The final payout shall be basis individual and business performance and usually paid at a higher frequency than the annual variable pay.
- Employees covered under periodic variable pay plan shall not be eligible for annual variable pay for the duration that they are covered under periodic variable pay.

#### **5. Stock Option (optional):**

Stock Options (under the Employee Stock Option Scheme of the Axis Bank Ltd.) as may be decided by Axis Bank, from time to time, subject to eligibility criteria and such approval as may be required.

#### **6. Other Terms:**

- a.) Joining / sign on bonus may be granted only in the context of hiring.
- b.) Any other bonus such as retention bonus shall be provided as per company's discretion.



## **7. 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 Board of Directors at its subsequent meeting.

## **8. REVIEW**

This Policy shall be reviewed annually by the Board 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 and the approval of the Board of Directors of FBTSL.

This Policy which has been reviewed and approved by the Board shall be deemed to have come into effect from the date of approval of the Board.

## **9. DISCLOSURES**

The details of remuneration paid to the Directors and other employees of FBTSL, in terms of this Policy, shall be made in the Annual Financial Statements and Annual Report of FBTSL, 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.