

Indian Finance Guaranty Ltd Policies

Employee Rewards or Compensation Policy

Our remuneration philosophy, policy, and framework are designed to attract, retain, and engage talents. These are developed to support the business strategies and enhance the value of the organization. Our policy specifies the relationship between remuneration and performance, including but not limited to specific financial and non-financial metrics.

- We encourage and nurture a strong performance-oriented culture; recognize and reward talents who demonstrate and create value for the organization.
- We position ourselves as a preferred employer in providing compelling total rewards experience encompassing continuous learning and development; competitive and market-driven compensation; pay for performance; and core and innovative benefits to meet personal and family needs.

To support our rewards philosophy, our targeted reward strategies are as follows:-

- Adopt a total rewards approach, using both the tangible and intangible aspects of rewards, to drive the Indian Finance Guaranty Ltd employment experience;
- Be market-driven to attract and retain top talent in the business;
- Operate on a single-platform-differentiated-application approach to accommodate different talent segments;
- Promote relevant reward programs that will be sensitive to employee lifecycles and experiences;
- Practice transparency, clarity, and consistency in our reward delivery.

Annual remuneration reviews are conducted every month considering the company, business unit, and individual performance. It is also reviewed vis-à-vis market rates and our financial capability is considered for any incentive payout. Performance evaluations for Employees are made according to these considerations.

Current remuneration initiatives allow for certain incentives and monthly compensation or remuneration to be withheld in any year should an employee or executive fail to meet performance requirements or be involved in any

misconduct and are given a disciplinary action resulting in suspension or demotion. The implementation of this policy is subject to certain terms and conditions that include, but are not limited to, the findings from internal investigations and assessments on the performance, misconduct or violation against company policies or applicable laws and timing of the misconduct or investigations within the year.

Remuneration Components:-

The remuneration structure of the Employee is composed of four main components: Fixed Remuneration, Benefits, Short Term Incentives (Performance Bonus), and Long Term Incentives. The structure is designed such that the variable component increases as the executive moves up in our corporate ladder. This only applies to our employees as our Board of Directors receive per diem remuneration approved by our shareholders.

Fixed Remuneration:-

The fixed remuneration is composed of the base salary and is reflective of the value of the role in the prevailing market and the value of the role compared to the other roles in Indian Finance Guaranty Ltd. Other factors that come into play in the base salary are individual performance, qualifications, and experience that the executive/employee brings into the company. The Year-on-Year increases determined by individual performances, prevailing market rates on annual salary increases, pay positioning, economic indicators, and Indian Finance Guaranty Ltd financial capabilities.

Benefits:-

We provide benefits that are consistent with local market practice and that are relevant to meet the personal and family needs of the Employee.

Short-Term Incentives (Performance Bonus):-

The short-term incentive plan is Indian Finance Guaranty Ltd 's Variable Pay Program for sales, non-unionized employees. The incentive is determined by the achievement of performance targets that are set at the beginning of the performance year. It considers delivery of corporate, business unit, and individual performance targets that are defined annually. This is usually paid out to employees within the Fourth quarter of the year following the confirmation of all performance targets and individual performance.

Corporate and Business unit targets are financial/operational targets set to support the overall business goals and thereby increasing our value as a

company. This incentive plan drives us to work together towards achieving common goals and encourages performance in the company. The award size for this incentive is differentiated by the employee's level such that higher incentive multiple is at stake as the Employee moves up the organization.

Long-Term Incentive Plan:-

Our Long-Term Incentive Plan (LTIP) was created to replace the Employee Stock Option. The new plan's primary objective is to drive long term performance in a highly competitive market by aligning management interest with the shareholders' interest. It also aims to motivate participants to sustain high levels of contribution. Furthermore, it is designed to attract and retain key executives whose contributions are essential to Indian Finance Guaranty Ltd's growth and profitability through a rewards scheme that fosters a sense of genuine loyalty among employee and belongingness within the Indian Finance Guaranty Ltd community thereby retaining these talents even after pay-outs are given out. Lastly, the plan should propel shareholder value through superior business performance driven by happy and satisfied employees.

The incentive is delivered through a performance share-based plan where it awards executives with company shares contingent upon the achievement of specified long-term goals over a specified performance period.

The Plan allows for overlapping performance periods to support rolling multi-year business plans and employee retention.

To ensure the alignment of the Employees' interest to that of Indian Finance Guaranty Ltd's , the plan includes a stock ownership requirement where the Employee is required to maintain shares equivalent to 75 percent to 100 percent of their annual base salary.

Our employee and executive rewards or compensation policy is further discussed in our annual reports.