VINJEY

Passion Creativity Embedding Excellence Innovation

VINJEY Software Systems Pvt Ltd

EMPLOYEE PROFIT SHARING POLICY

Sharing Success. Rewarding Contribution. Building Together.

RECOGNIZE Contributions

REWARD Performance

SHARE Success

BUILD Together

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1. Preamble and Objective

This Employee Profit Sharing Policy ("**Policy**") has been framed by **VINJEY SOFTWARE SYSTEMS PRIVATE LIMITED** ("**Company**") with the objective of sharing a part of the Company's financial success with its employees who have made meaningful contributions towards the achievement of the Company's business and performance goals during the relevant financial year.

The Policy is designed to recognise and reward sustained individual performance, aligned to the Company's Six-Month Plan ("**SMP**") framework, while linking the overall payout to the Company's actual financial performance, so that reward and profitability move together.

This Policy does not form part of the terms of employment of any employee and does not create any contractual right, whether express or implied, to receive Profit Sharing in any financial year.

The grant of Profit Sharing is entirely at the discretion of the Company, subject to the terms set out herein.

2. Short Title, Applicability and Effective Date

2.1. This Policy shall be called the "Employee Profit Sharing Policy" of the Company.

2.2. This Policy shall apply to all permanent, full-time employees of the Company on its payroll, across all locations and functions, unless specifically excluded under Clause 9 (Exclusions) of this Policy.

2.3. This Policy shall not apply to consultants, retainers, contract workers engaged through third-party agencies, interns/trainees, and any other person not on the direct payroll of the Company, unless otherwise expressly approved by the Board.

2.4. This Policy shall come into effect from 25.07.2026 ("Effective Date") and shall apply prospectively from Financial Year 20026-27 onwards, unless otherwise decided by the Board.

3. Definitions

3.1. **"Board"** means the Board of Directors of the Company and shall include any Committee of the Board (including a Compensation/HR Committee) to which the Board has delegated powers under this Policy.

3.2. **"Company"** means Vinjey Software Systems Private Limited and its successors.

3.3. **"Eligible Employee"** means an employee who satisfies the eligibility criteria specified in Clause 5 of this Policy for the relevant Financial Year.

3.4. **"Financial Year" or "FY"** means the period commencing April 1 of a calendar year and ending March 31 of the following calendar year.

3.5. **"Profit After Tax" or "PAT"** means the net profit after tax of the Company for the relevant Financial Year, as reflected in the audited standalone financial statements of the Company adopted at the Annual General Meeting (or approved by the Board, where audited accounts are pending shareholder adoption).

3.6. **“Profit Sharing”** means the amount payable to an Eligible Employee out of the Profit-Sharing Pool under this Policy.

3.7. **“Profit Sharing Pool” or “Pool”** means the aggregate amount set aside by the Company for distribution to Eligible Employees for a given Financial Year, determined in accordance with Clause 4 of this Policy.

3.8. **“Salary”** means, for the purposes of pro-rata computation under this Policy, the fixed annual/annualised gross salary (or such component thereof as the Board may determine and communicate from time to time) of the employee, actually drawn during the relevant Financial Year.

3.9. **“Six-Month Plan” or “SMP”** means the performance plan set for an employee for each of the two six-month periods comprising a Financial Year, i.e.

3.9.1. April–September, and

3.9.2. October–March.

3.10. **“SMP Score”** means the score (expressed as a percentage) awarded to an employee on completion of each Six-Month Plan, based on achievement against the goals, targets and evaluation parameters set for that employee under the Company's performance management process.

4. Employee Profit Sharing Pool

4.1. Quantum of the Pool

4.1.1. The Profit Sharing Pool for a Financial Year shall not exceed 10% (ten percent) of the Company's Profit After Tax (PAT) for that Financial Year.

4.1.2. The actual percentage of PAT allocated to the Pool for a given Financial Year (which may be any figure up to, but not exceeding, 10%) shall be determined by the Board, having regard to factors including the Company's business plans, capital requirements, cash flow position, reserves, statutory obligations, and such other factors as the Board considers relevant.

Employee Profit Sharing Pool = Y, where Y is the Board-approved allocation for the Financial Year and $Y \leq 10\% \times X$, with X being the Company’s Profit After Tax (PAT) for that Financial Year.

4.2. No-Profit Condition

4.2.1. Where the Company does not earn a profit (i.e. PAT is nil or negative) in a Financial Year, no Profit Sharing Pool shall be created and no Profit Sharing shall be payable to any employee for that Financial Year, notwithstanding that one or more employees may otherwise have satisfied the eligibility criteria under Clause 5.

4.2.2. For the avoidance of doubt, Profit Sharing under this Policy is not a guaranteed component of compensation and shall be entirely contingent upon the Company achieving a positive PAT in the relevant Financial Year.

4.3. **Illustrative Computation**

Particulars	Amount (₹)
Profit After Tax (PAT) for FY	[X]
Maximum permissible allocation (10% of PAT)	10% × X
Board-approved allocation for the year (≤ 10% of PAT)	[Y] (Y ≤ 10% × X)
Employee Profit Sharing Pool	[Y]

5. **Eligibility Criteria**

5.1. **SMP Score Threshold**

5.1.1. An employee shall be eligible for Profit Sharing for a Financial Year only if the employee achieves an SMP Score of 80% (eighty percent) or more in each of the two Six-Month Plans falling within that Financial Year, namely:

5.1.1.1. SMP 1: April–September; and

5.1.1.2. SMP 2: October–March

5.1.2. Both SMP Scores must independently meet or exceed the 80% threshold. An employee who achieves 80% or more in only one of the two Six-Month Plans, or whose average of the two scores is 80% or more but who falls below 80% in either individual SMP, shall not be eligible for Profit Sharing for that Financial Year.

5.2. **Continuous Employment -** An employee must have been part of the Company's payroll during the relevant Financial Year and must be in the active employment of the Company (i.e., neither resigned nor separated, whether by way of resignation, termination, or otherwise) as on the date on which Profit Sharing is disbursed, except as provided under Clause 7 (Employees Leaving During the Financial Year).

5.3. **Completion of Appraisal Cycle -** An employee must have completed the performance evaluation process for both Six-Month Plans of the relevant Financial Year, and the SMP Scores must have been formally approved through the Company's performance management process, for the employee to be considered for eligibility.

5.4. **Good Standing -** An employee who is, as on the date of disbursement, under a live disciplinary action, performance improvement plan resulting in an adverse outcome, or against whom findings of proven misconduct (including under the Company's POSH policy, code of conduct, or fraud/integrity policies) have been recorded during the relevant Financial Year, shall not be eligible for Profit Sharing, notwithstanding satisfaction of the SMP Score criteria, unless the Board decides otherwise in a specific case.

6. Computation and Distribution Methodology

6.1. **Pro-Rata Basis**

6.1.1. The Profit Sharing Pool shall be distributed only among Eligible Employees (i.e., employees satisfying Clause 5 above), on a pro-rata basis with reference to their respective Salary, such that each Eligible Employee's share of the Pool bears the same proportion to the total Pool as that employee's Salary bears to the aggregate Salary of all Eligible Employees.

6.1.2. The formula for computing the Profit Sharing payable to an Eligible Employee shall be as follows:

Profit Sharing payable to Employee (E) = [Salary of Employee E ÷ Σ Salary of all Eligible Employees] × Profit Sharing Pool

6.2. **Illustration**

Eligible Employee	**Annual Salary (₹)**	**% of Total Eligible Salary**	**Share of Pool (₹)**
A	6,00,000	30%	30% of Pool
B	8,00,000	40%	40% of Pool
C	6,00,000	30%	30% of Pool
Total	**20,00,000**	**100%**	**100% of Pool**

(Figures above are illustrative only and do not represent actual salary or Pool amounts of the Company.)

6.3. **Employees Not Meeting Eligibility -** Employees who do not satisfy the eligibility criteria under Clause 5 shall not be included in the pro-rata computation, whether for the purpose of determining the aggregate Salary base or for receiving any share of the Pool. Their Salary shall be excluded entirely from the denominator used in the formula at Clause 6.1.

6.4. **Rounding and Residual Amount -** Any rounding-off differences arising in the computation of individual shares shall be adjusted by the Company in a manner it considers fair and reasonable. Any unutilised or residual balance of the Pool (arising, for instance, from mid-year exclusions or rounding) shall be carried to the Company's reserves and shall not create any further entitlement for employees in that or any subsequent Financial Year.

7. Employees Joining or Leaving During the Financial Year

7.1. **New Joinees -** An employee who joins the Company during the course of a Financial Year shall be eligible for Profit Sharing for that Financial Year only if the employee has been part of, and has been formally evaluated for, both Six-Month Plans of that Financial Year, and has achieved an SMP Score of 80% or more in each such SMP. Employees who join after the commencement of the first Six-Month Plan (i.e., after April 1) such that they are not evaluated for a full SMP cycle shall not ordinarily be eligible for that Financial Year's Profit Sharing, unless the Board specifically approves a pro-rated eligibility exception.

7.2. **Employees Leaving Before Disbursement -** An Eligible Employee who resigns or whose employment is terminated for cause prior to the date of disbursement of Profit Sharing shall forfeit entitlement to Profit Sharing for that Financial Year, unless the separation is on account of:

7.2.1. retirement in accordance with the Company's retirement policy;

7.2.2. death or permanent disability of the employee;

7.2.3. retrenchment or termination by the Company otherwise than for cause (e.g., redundancy or restructuring); or

7.2.4. such other circumstance as the Board, in its discretion, may approve on a case-to-case basis, in which case the employee (or the employee's nominee/legal heirs, as applicable) shall remain eligible to receive Profit Sharing, if otherwise eligible under Clause 5, computed on the same pro-rata basis as other Eligible Employees, and paid at the same time as other disbursements under this Policy.

7.3. **Employees on Long Leave / Sabbatical -** Employees who are on extended leave (including maternity leave, medical leave, or sanctioned sabbatical) for part of the Financial Year shall remain eligible for Profit Sharing provided they have been evaluated and have achieved the requisite SMP Score for both Six-Month Plans in accordance with the Company's performance management process applicable to employees on such leave. Where an SMP evaluation could not be conducted on account of such leave, the Board/HR Committee shall determine eligibility on a reasonable and equitable basis.

7.4. **Transfers -** An employee transferred between group companies, divisions, or locations of the Company during a Financial Year shall be considered for Profit Sharing on a consolidated basis, subject to satisfaction of the SMP Score criteria across the Financial Year as a whole, as determined by the Board.

8. Approval Process

8.1. Following finalisation of the Company's audited financial statements for a Financial Year, the Finance function shall place before the Board (or a Committee thereof) a note computing the PAT for the year and the maximum permissible Profit Sharing Pool (i.e., up to 10% of PAT).

8.2. The Human Resources function shall, in parallel, consolidate the SMP Scores of all employees for both Six-Month Plans of the relevant Financial Year and prepare a list of Eligible Employees along with their respective Salary details, for the purpose of the pro-rata computation under Clause 6.

8.3. The Board shall review the Finance note and the HR eligibility list, and shall approve:

8.3.1. the quantum of the Profit Sharing Pool for the Financial Year (not exceeding 10% of PAT);

8.3.2. the final list of Eligible Employees; and

8.3.3. the individual Profit Sharing amount payable to each Eligible Employee, computed in accordance with Clause 6.

8.4. The Board may delegate the eligibility determination and computation process (but not the final approval of the Pool quantum) to a Compensation/HR Committee, Management Committee, or such other person(s) as it deems fit, subject to ratification by the Board.

8.5. The decision of the Board on all matters relating to eligibility, computation, and quantum of Profit Sharing shall be final and binding on all employees.

9. Payment Mechanism

9.1. Profit Sharing approved under this Policy shall ordinarily be disbursed along with the payment of dividends to the shareholders in respect of the relevant Financial Year. Where no dividend is declared or paid for the relevant Financial Year, the Profit Sharing amount shall be disbursed within such time and in such manner as may be determined by the Board.

9.2. Profit Sharing shall be paid in Indian Rupees, through the normal payroll banking channel of the Company, directly to the bank account of the Eligible Employee registered with the Company.

9.3. Profit Sharing shall be treated as taxable income in the hands of the employee under the head "Salaries" and shall be subject to deduction of tax at source (TDS) and such other statutory deductions as may be applicable under the Income-tax Act, 1961, and other applicable laws, at the time of payment.

9.4. Profit Sharing paid under this Policy shall not be treated as part of "basic salary" or a recurring component of compensation for the purpose of computing statutory dues such as Provident Fund, Gratuity, or Bonus under the Payment of Bonus Act, 1965, or for any other purpose, unless required otherwise under applicable law.

9.5. Where an Eligible Employee is on notice period as on the date of disbursement, Profit Sharing shall be paid along with full and final settlement dues, subject to Clause 7.2 above.

10. Governance and Other Provisions

10.1. **Discretion of the Board-** Notwithstanding anything contained in this Policy, the Board reserves the right, at its sole discretion, to modify, suspend, or discontinue the Profit Sharing Pool for any Financial Year, including in years where the Company has earned a profit, having regard to the Company's overall financial position, cash flow requirements, statutory obligations, or any other business exigency.

10.2. **No Vested Right -** Participation in, or receipt of, Profit Sharing in any Financial Year shall not create any right, claim, or expectation, whether legal or equitable, to receive Profit Sharing in any subsequent Financial Year. This Policy does not constitute a contract of employment and does not amend or vary the terms of any individual employee's appointment letter or employment agreement.

10.3. **Exclusions -** The Board may, for reasons to be recorded, exclude any employee or category of employees from the scope of this Policy, including employees engaged on fixed-term contracts, employees governed by a separate incentive/commission scheme that the Board determines to be in lieu of Profit Sharing, and employees who are related parties or promoters of the Company, where such exclusion is considered necessary for regulatory, tax, or governance reasons.

10.4. **Interaction with Other Schemes -** Profit Sharing under this Policy is independent of, and in addition to, any annual performance bonus, incentive, commission, or statutory bonus scheme of the Company, unless the Board specifically decides that Profit Sharing shall be paid in lieu of, or adjusted against, any other such scheme for a given Financial Year.

10.5. **Confidentiality -** Details of individual SMP Scores, Salary, and Profit Sharing amounts are confidential. Employees shall not disclose their own or any other employee's Profit Sharing details to any third party, save as required by law or for legitimate internal purposes.

10.6. **Recovery and Clawback -** Where it is subsequently discovered that Profit Sharing was paid to an employee on the basis of incorrect SMP Scores, financial misstatement, fraud, or misrepresentation, the Company reserves the right to recover the amount so paid from the employee, including by way of adjustment against future dues, salary, or full and final settlement, in accordance with applicable law.

10.7. **Interpretation -** In the event of any ambiguity, dispute, or question regarding the interpretation or application of this Policy, the decision of the Board shall be final and binding on all employees.

10.8. **Amendment and Review -** This Policy shall be reviewed periodically, and in any event at least once every twoyears, or earlier as the Board may determine. The Board reserves the right to amend, modify, or withdraw this Policy, in whole or in part, at any time, with or without notice, subject to applicable law.

10.9. **Statutory Compliance -** This Policy shall be read subject to, and shall be interpreted and implemented in accordance with, applicable provisions of the Companies Act, 2013, the Income-tax Act, 1961, and other applicable labour and employment legislation, as amended from time to time. In case of any conflict between this Policy and applicable law, the applicable law shall prevail.

10.10. **Severability -** If any provision of this Policy is held to be invalid, illegal, or unenforceable under applicable law, the remaining provisions of this Policy shall continue in full force and effect.

10.11. **Effective Date and Applicability of Amendments -** This Policy, and any amendment thereto, shall take effect from the date approved by the Board and shall apply prospectively, unless the Board expressly decides that an amendment shall have retrospective effect.

11. Approval

This Employee Profit Sharing Policy was approved by the Board of Directors of VINJEY SOFTWARE SYSTEMS PRIVATE LIMITED at its meeting held on 25.07.2026.

For **VINJEY Software Systems Private Limited**.,

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Vinoth Kumar Arumugam
Managing Director
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