

CRAVATEX

LIMITED

REMUNERATION POLICY FOR DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

(Reviewed on 10th February, 2025)

1. PURPOSE

The purpose of this Policy is to provide guidelines to the Board while identifying persons for appointment as directors / for position in senior management pursuant to the provisions of Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Schedule II Part D (A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. OBJECTIVES OF THE POLICY

- 2.1 To identify and evaluate the suitability of persons for recommending them to the Board for their appointment as directors and who may be appointed in senior management. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
- 2.2 To recommend to the Board provision of reward to Key Managerial Personnel and Senior Management linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- 2.3 To help retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons thereby creating competitive advantage.

3. ROLE OF COMMITTEE

- 3.1 To identify persons who are suitable for appointment as directors
- 3.2 To recommend the remuneration policy for the directors, KMP and senior management and other employees. This includes review and recommendation of the design of annual and long term incentive plan (includes deferred payment plans, equity plans, etc.) for managing director (MD)/, KMP and senior management.
- 3.3 To formulate the criteria for evaluation of Independent Directors and the Board;
- 3.4 To devise a policy on Board diversity.
- 3.5 To disclose the remuneration policy and the evaluation criteria in its Annual Report.
- 3.6 To recommend Board about their appointment and removal.
- 3.7 While formulating such a policy the committee shall ensure that
 - 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;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to directors, KMP 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.

Director Remuneration

Non-Executive Director (IDs and Non-Independent NEDs)

- IDs and non-independent NEDs may be paid sitting fees for attending the meetings of the Board and of committees of which they may be members.
- Within the prescribed limits, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- In addition to the sitting fees, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/her role as a director of the company. This could include expenditure incurred by the director for attending Board/Board committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.

Managing Director

- The MD should present to the NRC yearly business plan at the start of the financial year.
- The plan of the MD should ideally have a balance of quantitative and qualitative parameters.
- The NRC should discuss the year end performance review of the MD.
- MD will be paid a basic salary, allowances, perquisites, benefits, and incentive in alignment with the regulatory requirements. The level and composition of remuneration will be such as to attract, retain and motivate the required quality of professionals.

Key Manager Personnel & Executive Team

- On an annual basis, recommend to the Board the remuneration payable to KMPs and executive team of the Company. This includes review and recommendation of actual payment of annual and long term incentives for KMPs and executive team.
- Review matters related to remuneration and benefits payable upon retirement and severance to KMPs and executive team.
- Review matters related to voluntary retirement and early separation schemes for the company.

4. EFFECTIVE DATE

The Policy is effective from 29th May, 2015.