

RATHI GRAPHIC TECHNOLOGIES LIMITED

REMUNERATION POLICY

(Adopted on 04.03.2025)

REMUNERATION POLICY

1. Statutory Requirement:

1.1. This Remuneration Policy for Directors, Key Managerial Personnel, Senior Management and other Employees has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) of Rathi Graphic Technologies Limited ("Company") and has been approved by the Board of Directors of the Company, in compliance with Section 178 of the Companies Act, 2013 ("Act") read along with the applicable rules thereto and Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

2. Definitions:

2.1. **"Director"** means a director appointed to the Board of the Company.

2.2. **"Key Managerial Personnel" / "KMP"** in relation to the Company, means:

- (a) Managing Director, or Chief Executive Officer or Manager;
- (b) Whole-time Director;
- (c) Chief Financial Officer;
- (d) Company Secretary;
- (e) Such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and
- (f) Such other officers as may be prescribed under the Act from time to time.

2.3. **"Remuneration"** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

2.4. **"Senior Management"** mean the officers and personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as KMP, other than the Board of Directors, by the Company.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Act and the Listing Regulations, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

3. Objectives:

3.1. The Company recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The key objective of this Policy is to enable a framework that allows for competitive and fair rewards for the achievement of key deliverables and also aligns with practice in the industry and shareholders' expectations. The Company has therefore formulated this Policy considering following factors:

- (a) Ensuring 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 taking into consideration the challenges faced by the Company and its future growth imperatives;
- (b) Ensuring relationship of Remuneration to performance is clear and meets appropriate performance benchmarks and

- (c) Ensuring 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.

4. Scope and Exclusion:

- 4.1. This Policy sets out the guiding principles for the Human Resources, Nomination and Remuneration Committee for recommending to the Board the Remuneration of the Directors, KMP, Senior Management and other employees of the Company.

5. Policy:

5.1. Remuneration to Executive Directors and KMP

- 5.1.1. The Board, on the recommendation of the NRC, shall review and approve the Remuneration including but not limited to the commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, payable to the Executive Directors of the Company within the overall limits approved by the shareholders subject to the overall ceilings stipulated in Section 197 of the Act read with Schedule V thereto and Listing Regulations. In case of any change, the same would require the approval of the Board and/ or shareholders, wherever applicable.
- 5.1.2. The Board, on the recommendation of the NRC, shall also review and approve the Remuneration payable to the KMP of the Company.
- 5.1.3. The Remuneration structure to the Executive Directors and KMP shall include the following components: (i) Basic Pay (ii) Perquisites and Allowances (iii) Stock Options (iv) Commission (Applicable in case of Executive Directors) (v) Retiral benefits (vi) Annual Performance Bonus
- 5.1.4. The Annual Plan and Objectives for Executive Directors and KMP shall be reviewed by the NRC and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives.

5.2. Remuneration to Non-Executive Directors (NEDs)

- 5.2.1. The Board on the recommendation of the NRC shall review and approve the Remuneration payable to the NEDs of the Company within the overall limits approved by the shareholders within the parameters prescribed by law. The Remuneration to NEDs may be revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Act read with rules made thereunder and Listing Regulations.
- 5.2.2. NEDs shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof within the overall limits prescribed under the Act. The NEDs shall also be entitled to profit related commission in addition to the sitting fees.
- 5.2.3. Quantum of sitting fees may be subject to review on a periodic basis, as required.
- 5.2.4. Independent Directors shall not be entitled to receive stock options.
- 5.2.5. The aggregate commission payable to all the NEDs will be recommended by the NRC to the Board based on Company's performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- 5.2.6. The NRC will recommend to the Board the quantum of commission for each Director based upon the outcome of the evaluation process which is driven by various factors, as per the

Performance Evaluation Policy adopted by the Company, including but not limited to attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by Directors other than in meetings.

- 5.2.7. In addition to the sitting fees and commission, the Company may pay to NEDs such fair and reasonable expenditure, as may have been incurred by the NED while performing his/her role as a Director of the Company. This includes reasonable expenditure incurred by the NED for attending Board meetings, 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.

5.3. Remuneration to the Senior Management and other employees

- 5.3.1. The Remuneration of the Senior Management shall consist of fixed salary which shall be competitive and based on the Individual's responsibilities and performance.
- 5.3.2. The Senior Management may receive variable salaries in addition to fixed salaries. The variable salary may be based on inter-alia the performance of the Company as a whole or the performance of respective business verticals where the Senior Management is employed. The performance will be related to the fulfilment of various improvement targets or the attainment of certain financial objectives.
- 5.3.3. The Senior Management may be eligible for long-term incentive plan in the form of Employee Stock Option (ESOP), as per the ESOP scheme in force from time to time.
- 5.3.4. The Senior Management shall be entitled to customary non-monetary benefits as may be applicable to them as per Company policies. The extent of such non-monetary benefits is negotiated with each individual Senior Management.
- 5.3.5. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the Company. Individual Remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing Remuneration levels for equivalent jobs.
- 5.3.6. In addition to the basic/ fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
- 5.3.7. The Company provides the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.

5.4. Remuneration payable to Director for services rendered in other capacity.

- 5.4.1. The Remuneration payable to the Directors shall be inclusive of any Remuneration payable for services rendered by such Director in any other capacity, unless:
- a) The services rendered are of a professional nature; and
 - b) The NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession.

6. Limitation

- 6.1 In any circumstance where the terms of this Policy are inconsistent with any existing or newly enacted law, rule, regulation or standard governing the Company, the said law, rule, regulation or standard will take precedence over this Policy.

7. Amendment

- 7.1 Any change in the Policy shall be approved by the Board. The Board shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit from time to time, and the decision of the Board in this respect shall be final and binding. Any subsequent amendment/modification in the Act or the rules framed thereunder or Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.