

Criteria for making payment to Non- Executive Directors

(Effective from May 13, 2022)

1. Preamble:

'Kranti Industries Limited' is a Company incorporated under the provisions of the Companies Act, 1956 ("the Company"). The Company is in the business of manufacturing and supplying of precision machined components. The Company is into machining activity since incorporation and caters primarily to the Automotive Component and Non-Automotive (off Highway) Industry. The Company also manufactures customized products for reputed Original Equipment Manufacturers (OEMs) of diverse industries such as passenger cars, two wheelers, tractors, construction machineries, railways, light vehicles, off-highway, heavy trucks.

The Company is committed to good corporate governance practices and with a view to ensure a transparent system of rewarding its Non-Executive Directors (NED) of the Company has formulated this Policy. The Board of Directors of the Company has adopted the following policy and criteria with regard to paying remuneration to NED's as defined below, subject to the approval of the Board of Directors of the Company. This policy will be applicable to the Company. This policy is to regulate transactions between the Company and its NED's based on the applicable laws and regulations applicable to the Company.

2. Purpose:

Corporate governance norms brought by the Companies Act, 2013 as well as Equity Listing Agreement, the role of Non-Executive Directors (NED) and the degree and quality of their engagement with the Board of directors and the Kranti Industries Limited has undergone significant changes over a period of time. The Company is being hugely benefited from the expertise, advice and inputs provided by the NEDs. They devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company from time to time.

3. Policy/ Criteria for payment to NED's :

Kranti Industries Limited has set the following criteria for making payment to Non-Executive Directors:-

- The remuneration/sitting fees to its Non- Executive Director(s) by way of lump sum amount, as may be mutually agreed by the board and the non-executive director(s).
- The remuneration/sitting fees shall be paid on or before end of each financial year to all non – executive directors by the company.

- The remuneration/sitting fees paid shall not be counted on the number of meetings attended by the Non-executive Directors.
- No commission shall be payable to NEDs
- NEDs may also be paid/reimbursed such sums either as fixed allowance and /or actual as fair compensation for travel, boarding and lodging and incidental and /or actual out of pocket expenses incurred by such member for attending Board/Committee Meetings.

4. Amendment in Law:

Any subsequent amendment/modification in the Listing Agreement and/or the applicable laws in this regard shall automatically apply to this Policy.

This Policy will be communicated to all operational employees and other concerned persons of the Company.
