

PHOTONICS WATERTECH LIMITED

POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL (“KMP”) AND OTHER EMPLOYEES

Preamble

This Policy on Remuneration of Directors, Key Managerial Personnel (“KMP”) and Other Employees (hereinafter referred as the “Policy”) of Photonics Watertech Limited (“the Company”) is designed and formulated by the Board of Directors of the Company pursuant to the Companies Act, 2013 (the “Act”) and rules made thereunder and the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. The policy is subject to approval/rectification by the Nomination and Remuneration Committee (the “Committee”). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law.

The Board of Directors of the Company adopted this policy at their meeting held on April 21, 2026.

The Policy lays down the criteria with regard to remuneration of Directors, KMP and other employees.

- A. Guiding Principles for remuneration:** The Company shall remunerate all its personnel reasonably and sufficiently as per industry benchmarks and standards. The remuneration shall be commensurate with their contributions and shall be sufficient enough to retain and motivate the human resources of the Company. The compensation package will, inter alia, take into account the experience of the personnel, the knowledge and skill required including complexity of the job, work duration and risks associated with the work, and attitude of the worker like positive outlook, team work, loyalty, past remuneration, past performance etc.

The level and components of the remuneration shall be such so as to align with the long term interest of the company and its shareholders.

B. Components of Remuneration:

The following will be the various remuneration components which may be paid to the personnel of the Company based on the designation and class of the personnel.

- a) **Fixed compensation:** The fixed salaries of the Company’s personnel shall be competitive and based on the individual personnel’s responsibilities and performance.
- b) **Variable compensation:** The personnel of the Company may be paid remuneration by way of variable salaries based on their performance evaluation. Such variable salaries should be based on the performance of the individual against his short and long term performance objectives and the performance of the Company.

- c) **Share based payments:** The Board of Directors may, on the recommendation of the Nomination and Remuneration Committee, issue to certain class of personnel a share and share price related incentive program.
 - d) **Non-monetary benefits:** Senior management personnel of the Company may, on a case to case basis, be awarded customary non-monetary benefits such as discounted salary advance /credit facility, rent free accommodation, Company cars with or without chauffeur's, share and share price related incentive, reimbursement of electricity and telephone bills etc.
 - e) **Commission:** The directors may be paid commission if approved by the shareholders. The shareholders may authorise the Board to declare commission to be paid to any director of the Board.
 - f) **Retirement benefits:** The Company shall provide retirement benefits applicable in accordance with law.
 - g) **Sitting Fee and Commission:** The Company may pay sitting fee for attending Board and Committee meeting and commission to the Directors of the Company in compliance with law.
 - h) **Loan/ advances to the Employees:** The Company may give loan or advances to the employees in accordance with the provisions of the Companies Act, 2013 and the terms and conditions of the Loan Policy of the Company, if any, as approved by the Board or any Committees thereof, from time to time.
- C. Entitlement:** The authority to determine the entitlement to various components as aforesaid for each class and designation of personnel shall be as follows:

Designation / Class	To be determined by
Managing Director/ Whole Time Director	The remuneration for the Managing Director/ Whole Time Director is as per the terms and conditions approved by the shareholders on recommendation of the Board of Directors. In case of any change, the same would require the approval of the shareholders on recommendation of the Board of Directors and other applicable compliances required by laws.
Independent Directors*	Board of Directors
Other Directors	Board of Directors
Senior Management	Recommendation of the Nomination and Remuneration Committee and approval of Board of Directors
Other employees	Departmental Heads in consultation with Human Resources Head

**Sitting fee payable to the directors shall be in accordance with the provisions of the law.*

D. Amendment: The Remuneration policy may be reviewed by the Board of the Company on the recommendation of the Nomination & Remuneration Committee of the Board.