

Notice of the 32nd Annual General Meeting – Further information in regard to Resolution No. 7

On the topic of remuneration for Executive Vice Chairman & MD of Cyient, here is our view which was endorsed and supported by the board and the LNR committee overseeing the remuneration topics at Cyient.

1. **Performance driven** : Over the last few years, during a very challenging operating scenario driven by various external global events including the pandemic, Krishna's strategic and effective leadership has enabled Cyient to deliver consistent value and strong growth. This has led to significant value creation to all stake holders which is also reflected in the strong market cap performance of Cyient today. We believe recognition of such leadership performance is key to setting Cyient up for further growth and in line with industry best practices.
2. **Outcome driven**: As you can see, of the proposed remuneration, only about ~10-12% is fixed and the rest of about ~88-90% is variable, directly linked to Cyient's performance around profit. Which therefore is directly linked to value creation for all stake holders. Also, there will be INR. 25 Cr cap on total commission which is the outer limit over a 3 year period. This will not kick in from the first year and will increase progressively – directly linked to Cyient's performance and profitability.
3. **Role driven** : Krishna's future role will be to lead two businesses of Cyient; Cyient Services and Cyient DLM. He is currently not drawing any remuneration from Cyient DLM. In addition, there are no stock options for his role, which is different from the general compensation constructs elsewhere. Therefore a direct comparison is not viable in our view.

The role of for Executive Vice Chairman & MD of Cyient will be evaluated by the board of Cyient against specific and measurable KPI targets along the below framework of growth:

Ambition : Enabling and providing direction to entry into new technology areas such as automotive and digital. Global governance, particularly integration of acquired entities and M&A

Growth: Roadmap for USD 1 bn revenue and beyond. Setting up company/structures for the next level. Unlocking value and potential *inter alia* for Cyient DLM and setting exponential growth for the same

Investment: New technology incubation for services (Eg.: EV, Embedded) overseeing ecosystem partnerships and guidance of inorganic strategy

Leadership: Succession planning including mentoring new CEOs for services and DLM and stabilizing the re-organization initiatives

Execution: ESG – build on industry leading ESG capabilities and propel recognition to the first quartile of peer group companies, world-wide

These KPIs have quantifiable financial targets which are monitored by the Board on a quarterly basis but are not published due to sensitive nature of targets.

We strongly believe that executing this resolution will enable demonstration of competitiveness of Cyient. And also build a platform to ensure sustainable growth and value creation to all stakeholders. We therefore look forward to your kind support for the same.