JAYTEE ALLOYS & COMPONENTS LIMITED

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CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTOR

Document Summary

Version Number	Version 2.0
Approved by	Board of Directors
Revision	Any revisions or modifications to this policy to be Reviewed by the Chief Compliance Officer/Company Secretary and submitted to the Board for approval.

CRITERIA OF MAKING PAYMENTS TO NON-EXECUTIVE DIRECTOR

PURPOSE:

Levels of remuneration to Directors are determined such that they attract, motivate and retain Directors of quality and ability to run the company successfully. With changes in the Corporate Governance norms, the role of Non-Executive Directors (NED) and the degree and quality of their engagement with the Board and the Company has undergone significant changes over a period of time. This is also accentuated by the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. Further, in order to be consistent with globally accepted governance practices, the Company has ushered in flexibility in respect of payment of remuneration to NEDs. It has linked the remuneration paid to NEDs to their attendance at the meetings of the Board or Committees thereof.

SITTING FEE:

Such Director(s) shall receive remuneration by way of Sitting fee for attending meetings of the Board or Committee thereof or any other meeting as required by Companies Act, 2013, SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 or other applicable law or for any other purpose whatsoever as maybe decided by the Board.

COMMISSION:

Under the Companies Act, 2013, Section 197 allows a company to pay remuneration to its NEDs either by way of a monthly payment or at a specified percentage of the net profits of the company or partly by one way and partly by the other. Further, the section also states that where the company has either managing director or whole-time director or manager, then a maximum of 1% of its net profits can be paid as remuneration to its NEDs. In case there is no managing director or whole-time director or manager, then a maximum of 3% of net profit can be paid. Thus, the basis of payment to the NEDs is the net profit of the Company.

Currently the Company is not paying Commission to its NEDs.

- **Professional Fees**

Under the Companies Act, 2013, Section 197 allows a Company to pay remuneration to its NEDs for services rendered by any such Director if:

a) The services rendered are of Professional nature;
b) In the opinion of Nomination and Remuneration Committee the Director possess the requisite qualification for the practice of the profession.

As per the provision of Section 188 of the Companies Act, 2013, the Audit Committee and the Board of Directors of the Company shall approve the Professional fees to be paid to Non-Executive Director(s), and with the approval of the Shareholders where ever required.

- **Reimbursement of actual expenses incurred:**

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 or for Company's work.

The Nomination and Remuneration Committee is entrusted with the role of reviewing the compensation of NEDs.

- **Payment to independent directors:**

An independent director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or committee thereof and profit related commission up to a certain percentage of net profits in such proportion, as may be permissible under the applicable law.

- **Refund of excess remuneration paid:**

If any director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the prescribed limit or without the prior sanction of the Central Government, where it is required, he shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of any sum refundable to it unless permitted by the Central Government.

- **Stock Options**:

As per the Regulation 17 of the Listing Regulations, the shareholders' resolution shall specify the limits for the maximum number of stock options that can be granted to non-executive directors, in any in financial year and in aggregate. Provided that an independent director shall not be entitled to any stock option and may receive remuneration by way of fees and reimbursement of expenses for participation in meetings of the Board and other meetings and profit related commission as may be approved by the members.

CRITERIA FOR MAKING PAYMENT TO NON- EXECUTIVE DIRECTORS

Reimbursement of actual expenses incurred:

NEDs may also be paid / reimbursed such sums either as fixed allowance and /or actuals for travel, incidental and / or actual out of pocket expenses incurred by such Director / Member for attending Board / Committee Meetings.

Payment to Independent Directors:

An Independent Director may receive remuneration only by way of sitting fees and reimbursement of expenses for participation in meetings of the Board or committee thereof and profit related commission up to a certain percentage of net profits in such proportion, as may be permissible under the applicable law at the discretion of the Board.

The above criteria and policy are subject to review by the Nomination & Remuneration Committee and the Board of Directors of the Company.

Amendments

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.

DISSEMINATION OF THE POLICY:

The policy shall be hosted on the website of the Company.

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Footnote

1. The Board of Directors at its meeting held on 18-12-2024 has adopted this Policy first time.
2. The Board of Directors at its meeting held on 01-09-2026 has Modified this Policy based on Requirement of amendments and Need of the Company.

NAMAN JAIN
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Date: 2026.09.01 17:14:11 +05'30'

JAYTEE ALLOYS & COMPONENTS LTD.