

Remuneration Policy

1. Preamble

This Remuneration Policy provides the framework for determining the remuneration of the members of the Board of Directors, Key Managerial Personnel, Senior Management, and other employees of Iykot Hitech Toolroom Limited (“the Company”). This policy is governed by the principles outlined in Section 178 of the Companies Act, 2013, and Regulation 19 along with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”). The policy aims to ensure the reasonableness and adequacy of remuneration to attract, retain, and motivate competent resources. It establishes a clear connection between remuneration and performance, balancing short-term and long-term performance incentives for the Company. This policy reflects the remuneration philosophy and takes into account competitive pay and employment conditions in comparison to industry peers, ensuring that pay structures are appropriately aligned.

2. Remuneration of Non-Executive Directors

- 2.1 The Non-Executive/ Independent Director is not paid remuneration by way of fees for attending meetings of the Board or Committee thereof. If the company decides to pay any remuneration by way of sitting fees, it will be decided by the Board in accordance with this Policy and subject to applicable conditions of SEBI LODR Regulations.
- 2.2 Commission to Non-Executive/ Independent Directors If proposed may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.
- 2.3 The said commission will be decided each year by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee (N& R Committee) and distributed amongst the Non-Executive Directors based on the Board evaluation process, considering criteria such as their attendance and contribution at the Board and Committee meetings, as well as the time spent on operational matters other than at meetings.
- 2.4 Independent Directors will not be eligible to receive stock options under the employee stock

option scheme/plan (“ESOP”) of the Company, if any.

- 2.4 If the annual remuneration payable to a single NED exceeds fifty per cent of the total annual remuneration payable to NEDs during any period, the approval of the shareholders in the manner specified in applicable laws/regulations shall be obtained.

3. Remuneration of Executive Director

- 3.1 The compensation paid to the Executive Directors (including Managing Director) will be within the scale approved by the Shareholders. The elements of the total compensation are approved by the N&R Committee within the overall limits specified under the Companies Act, 2013.
- 3.2 The fees or compensation payable to an Executive Director who is a Promoter or member of Promoter Group, shall be subject to the approval of shareholders in the manner prescribed under the applicable regulations, if the annual remuneration payable to such Executive Director exceeds the threshold limits as specified in applicable regulations, and the approval so granted shall be valid till the expiry of the term of such Director.

For the purpose of this Policy, the terms ‘Promoter’ and ‘Promoter Group’ shall have the meaning assigned to it under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 or any amendment thereof.

- 3.3 The Executive Director, except a promoter director, is also eligible for ESOPs as per the Scheme/Plan in force from time to time. Grants under the Scheme/Plan shall be approved by the N&R Committee.
- 3.4 In case of inadequacy of profit in any financial year, the remuneration payable to the Executive Director shall be further subject to the relevant provisions of the Companies Act, 2013.
- 3.5 Executive Directors will not be paid sitting fees for any Board/Committee meetings attended by them.

4. Remuneration to Key Managerial Personnel/Senior Management/Other Employees

- 4.1 Senior Management for the purpose of this Policy shall mean personnel of the Company who are

members of its core management team excluding Board of Directors including members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager including any Functional Head. The Chief Executive Officer/Manager/ Executive Directors/ Company Secretary and Chief Financial Officer of the Company shall be deemed to be Senior Management.

4.2 The remuneration/ compensation/ commission etc., to the Managerial Personnel, KMP and Senior Management Personnel will be determined by the N&R Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc. shall be subject to the prior/ post approval of the shareholders of the Company and Central Government, wherever required.

4.3 Increments to the existing remuneration/ compensation structure may be recommended by the N&R Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Personnel.

4.4 Where any insurance is taken by the Company on behalf of its Managerial Personnel, Chief Executive Officer, Chief Financial Officer, the Company Secretary, and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

4.5 Fixed compensation for all the employees will be determined on the basis of size and scope of the job typically as reflected by the level or grade of the job, trends in the market value of the job and the skills, experience and performance of the employee. Fixed compensation includes Basic Salary, Housing Allowance, Leave Travel Allowance, cash allowance etc.

4.6 Employees will also be eligible for work related facilities and perquisites as may be determined through HR policies issued from time to time based on the Grade of the employee.

4.7 A formal annual performance management process will be applicable to all employees including senior executives and Key Management Personnel. Annual increases in fixed and variable compensation of individual executives are directly linked to the performance ratings of

individual employee.

5. Adoption, Changes and Disclosure of Information

5.1 This Remuneration Policy and any changes thereof are approved by the Board of Directors as may be deemed necessary by the Board.

5.2 The Policy may be reviewed at such intervals as the Board or N&R Committee may deem necessary.

5.3 Such disclosures of this Remuneration Policy as may be required under the Companies Act, 2013 and the Listing Agreement may be made.