

CRITERIA FOR MAKING PAYMENT TO NON-EXECUTIVE DIRECTORS - POLICY

Under the SEBI LODR, Regulation 46 and Schedule V requires every company to publish its criteria of making payments to NEDs in its annual report. The policy in this respect was approved by the Board of Directors at its meeting held on 28-05-2026, as follows.

Section 197 of the Act, 2013 and Regulation 17 of SEBI LODR, require the approval of the shareholders of a company for making payment to its NEDs. In keeping with the above, any fee/remuneration payable to the NEDs of the Company shall abide by the following: —

Sitting Fee:

Such director(s) may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or any other meeting as required by Companies Act, 2013, SEBI LODR or other applicable law or for any other purpose whatsoever as may be decided by the Board; within the permissible limits as provided under the applicable law from time to time —

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 a 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/s 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. The Company is however not obligated to remunerate its NEDs. —

Refund of excess remuneration paid:

If any such Director draws or receives, directly or indirectly, by way of fee/remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, such remuneration shall be refunded 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. —

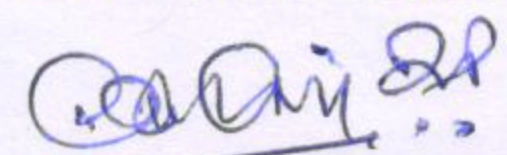
Reimbursement of actual expenses incurred:

NEDs may also be paid/ reimbursed expenses towards travel, boarding and lodging and incidental and/ or actual out of pocket expenses incurred by such NEDs for attending Board/Committee Meetings.

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.

For VEEJAY LAKSHMI ENGINEERING WORKS LIMITED


Company Secretary