

# CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR

FOR KAY JAY FORGINGS LIMITED

CIN: U74899DL1983PLC029298

Registered Office: A-8, Maya Puri Industrial Area Phase-1, New Delhi- 110 064 Delhi, India.

# CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR

## 1. INTRODUCTION

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The Board of **Kay Jay Forgings Limited** (the “**Company**”) shall comprise of individuals who have demonstrated significant achievements in business, education, professions, financial sector and public service. They must have the requisite intelligence, education and experience to make a significant contribution to the deliberations of the Board of Directors (“**Board**”).

## 2. DEFINITIONS

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In this policy, the following terms shall have the following meanings:

- a. “**Act**” shall mean the Companies Act, 2013, including relevant rules formulated thereunder as amended from time to time;
- b. “**Board**” or “**Board of Directors**” shall mean the Board of Directors of the Company;
- c. “**Company**” shall mean **Kay Jay Forgings Limited**;
- d. “**Director**” means a Director appointed to the Board of the Company;
- e. “**Nomination and Remuneration Committee**” or “**NRC**” means the committee constituted by Board of Kay Jay Forgings Limited, in accordance with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations;
- f. “**Listing Regulations**” shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time;
- g. “**Independent Director**” means a Director referred to in sub-section (6) of Section 149 of the Act and Regulation 16 of the Listing Regulations; and
- h. “**Senior Management**” shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer”.

Words and phrases used in this policy and not defined herein shall derive their meaning from the Act and Listing Regulations.

### **3. QUALIFICATIONS, POSITIVE ATTRIBUTES AND CRITERIA FOR APPOINTMENT OF DIRECTOR IN SPECIFIC:**

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- a. shall possess a Director Identification Number (DIN);
- b. shall not be disqualified under the Act;
- c. shall give his/her written consent to act as a Director;
- d. shall endeavour to attend all Board Meetings and, wherever he is appointed as a Committee member, the Committee Meetings;
- e. shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made; and
- f. such other requirements as may be prescribed, from time to time, under the Act, Agreement entered pursuant to the Listing Regulations and other relevant laws.

### **4. QUALIFICATION CRITERIA**

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The NRC of the Board is responsible for evaluating the qualifications of each Director candidate and of those Directors who are to be nominated for election by shareholders at each annual general meeting, and for recommending duly qualified Director nominees to the full Board for election.

The overall ability and experience of individual candidates should determine their suitability. The qualification criteria set forth herein to describe the qualities and characteristics are desired for the Board as a whole and for Board members individually.

#### **a. Director Qualification Review Procedure.**

The Board shall determine the Director's qualifications to serve on the Board, upon the recommendation of the Committee, prior to nominating said Director for election at the Company's next annual general meeting. In addition, with respect to each Director candidate considered for election to the Board between annual meetings, prior to such election, the Committee shall evaluate each Director candidate and recommend to the Board any duly qualified Director candidates for recommendation by the Board.

The Director candidate shall be evaluated by the Committee as per the criteria set forth herein.

#### **b. General Director Qualification Criteria.**

The Board has not established a specific minimum age, education, years of business experience or specific types of skills for Board members, but, in general, expects a candidate to have extensive experience and proven record of professional success, leadership and the highest level of personal and professional ethics, integrity and values.

In its evaluation, the Committee shall consider the Board size and composition of the Board according to the following guidelines:

With respect to Board composition as a whole and the Board Committees, the required number of Directors who qualify as “independent” pursuant to applicable rules and the independence standards as per the provisions of the Act and the Listing Regulations.

**c. Additional Review Criteria .**

The Committee shall also consider the personal qualities of each Director candidate to be able to make a substantial active contribution to Board deliberations. The Director candidate must be willing to commit, as well as have, sufficient time available to discharge the duties of Board membership.

The Director candidate should be able to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.

The Committee shall also consider its policies with respect to retirement age, change in employment status, as well as all other relevant facts and circumstances in making its recommendations to the Board.

## **5. INDEPENDENCE STANDARDS**

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The following would be the independence review procedure and criteria to assist the Committee evaluate the independence of Directors for recommending to the Board for appointment. A Director is independent if the Board affirmatively determines that the Director does not have a direct or indirect material relationship with the Company, including its affiliates or any member of senior management. “**Affiliate**” shall mean any company or other entity that controls, is controlled by, or is under common control with the Company.

Also, the candidate shall be evaluated based on the criteria provided under the applicable laws including the Act read with Rules thereon and the Listing Regulations. In addition to applying these guidelines, the Board will consider all relevant facts and circumstances in making its determination relative to a Director’s independence.

### **Independence Review Procedures**

➤ Annual Review:

The Director’s independence for the Independent Director will be determined by the Board on an annual basis upon the declarations made by such Directors as per the provisions of the Act read with Rules thereon and the Listing Regulations.

➤ Individual Director Independence Determinations:

If a Director nominee is considered for appointment to the Board between annual general meetings, a determination of independence, upon the recommendation of the Committee, shall be made by the Board prior to such appointment.

All determinations of independence shall be made on a case-by-case basis for each Director after consideration of all the relevant facts and circumstances and the standards set forth herein. The Board reserves the right to determine that any Director is not independent even if he or she satisfies the criteria set forth by the provisions of the Act read with Rules thereon and the Listing Regulations.

➤ Notice of Change of Independent Status:

Each Director has an affirmative obligation to inform the Board of any change in circumstances that may put his or her independence at issue.

## **6. REVIEW AND AMENDMENT**

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- a. Notwithstanding anything contained in this policy, the Company shall ensure compliance with additional requirements as may be prescribed under applicable laws, either existing or arising out of any amendment to such applicable laws or otherwise and applicable to the Company from time to time.
- b. This policy is intended to be in conformity with the Listing Regulations and the Act as on the date of its adoption. However, if due to subsequent modifications in the Listing Regulations, the Act or any other applicable law, a provision of this policy or any part thereof becomes inconsistent with the Listing Regulations, the Act or any other applicable law, then the provisions of such laws, as modified, shall prevail.
- c. This policy may be reviewed by the Board of Directors from time to time to keep in pace with the regulatory environment and any amendments to this policy, and if deemed fit, shall be approved by the Board of Directors.

## **7. EFFECTIVE DATE**

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This policy is approved by the Board of Directors of the Company on **August 18, 2025** respectively.

**Version approved by:** The Board of Directors

**Effective Date:** August 18, 2025

Place: Ludhiana

*Note: Approved in the meeting dated August 18, 2025*

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