

TERMS & CONDITIONS OF THE
APPOINTMENT OF
INDEPENDENT DIRECTORS
AND THE CODE FOR
INDEPENDENT DIRECTORS
FOR KAY JAY FORGINGS LIMITED

CIN: U74899DL1983PLC029298

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

TERMS AND CONDITIONS FOR INDEPENDENT DIRECTORS

I. APPOINTMENT

- 1.1** The Appointment of Independent Directors is for a term as may be approved by Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee, subject to the approval of members, up to a period of 5 (five) consecutive years from the date of his/ her appointment.
- 1.2** The provisions for retirement by rotation at each Annual General Meeting shall not apply on Independent Directors.
- 1.3** An Independent Director may be re-appointed on the recommendation of Nomination and Remuneration Committee, subject to approval of Shareholders. The reappointment would be considered based on the outcome of the performance evaluation process and independence criteria.

II. ROLE, DUTIES AND RESPONSIBILITIES

- 2.1** The Independent Director is an independent non-executive director and will be identified as such in the annual report and other documentation of the Company. If circumstances change, and he/she believes that his/her independence will be in doubt, the Independent Director should discuss the same with the Chairman of the Company as soon as practicable and further course of action should be taken by the Company as per applicable law, in timely manner.
- 2.2** They shall perform their duties, whether statutory or fiduciary faithfully, efficiently and diligently with due and reasonable care to a standard consummate with both the functions of their role as an Independent Director and knowledge, skills and experience.
- 2.3** They shall act in accordance with the Company's Memorandum of Association and Articles of Association and as per the applicable law.
- 2.4** They are requested to acquaint themselves with the Company's operations and businesses and update themselves regularly. They shall act in good faith in order to promote the objects of the Company for the benefit of the members of the Company as a whole, and in the best interest of the Company.
- 2.5** They will exercise their powers in their role as an Independent Director having regard to the relevant obligations under prevailing law including Companies Act, 2013, SEBI (LODR), 2015 as amended from time to time. They shall comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities.
- 2.6** By their acceptance of this appointment as an Independent Director, they confirm that they are able to devote sufficient time to meet the expectations of their role.
- 2.7** During the appointment, they will be required to serve on one or more of the committees of the Board, i.e., Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, Stakeholders' Relationship Committee or such other Committees, as the Board may decide.

- 2.8 They, unless otherwise approved by the Board, shall not be involved in a situation in which he/ she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- 2.9 They shall not achieve or attempt to achieve any undue gain or advantage either to himself/ herself or his/ her relatives, partners, or associates.
- 2.10 They shall not assign office of Director and any assignments so made shall be void.
- 2.11 During their appointment (except in the proper and normal performance of their duties as an Independent Director) or at any time after completion of their tenure, they shall not make use of or divulge to any person, any confidential information relating to the Company, any Related Party or any stakeholder of the Company without the prior written consent of the Board.
- 2.12 During their appointment to use all reasonable endeavours to prevent the publication or disclosure of any confidential information relating to the Company, any Related Party or any stakeholder of the Company.
- 2.13 They shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to section 149(8) of the Companies Act, 2013 and duties of directors as provided in the Companies Act, 2013 (including Section 166).
- 2.14 They shall also comply with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Code of Conduct for Prevention of Insider Trading of the Company. The directors shall not make use of unpublished price sensitive information.
- 2.15 Unless specifically authorised to do so by the Board, they will not enter into any legal or other commitment or contract on behalf of the Company.

III. LIABILITIES

- 3.1 Though the Board as a whole is collectively responsible for promoting the success of the Company by directing and supervising its affairs in a responsible and effective manner, in their capacity as an Independent Director they will be held liable in respect of such acts of omission or commission by a company which had occurred with their knowledge, attributable through Board processes and with their consent or connivance or where they have not acted diligently.
- 3.2 Any breach of duties specified or expected of them as an Independent Director may expose them to penal consequences as specified under the Companies Act, 2013 or any applicable law in force.

IV. REMUNERATION

- 4.1 As Independent Directors, they shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members, as per the provisions of the Companies Act 2013 and the Articles of Association of the Company. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board from time to time which shall not exceed Rs 1,00,000.
- 4.2 In addition to the sitting fees, commission that may be determined by the Board may also be payable to them. In determining the amount of this commission, the Board supported by the

Nomination and Remuneration Committee may consider performance of the Company and their performance as evaluated by the Board.

4.3 The Company may pay or reimburse to the Director such expenditure, as may have been incurred by them while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by them for accommodation, travel and any out-of-pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of their duties as Independent Directors.

4.4 The Independent Director will not be eligible to participate in Stock Options schemes of the Company.

V. INDUCTION

Where Independent Director so require, the Company Secretary and Compliance Officer shall arrange for Independent Director to participate in an induction program that includes:

- Meetings with major shareholders;
- Meetings with members of senior management;
- Visits to key premises and branches; and
- An induction pack of information concerning the company, its constitution, relevant laws and regulations.

VI. STATUS OF APPOINTMENT

The Independent Director will not be the employee of the Company and the appointment letter shall not constitute a contract of employment. The Directors will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and / or as approved by the members from time to time.

VII. CONFLICT OF INTEREST

7.1 By accepting appointment as an Independent Director, they confirm that, apart from those interests disclosed in writing to the Board, they have no existing causes of likely conflict of interest with the business of the Company. In particular, they confirm that they do not serve as a director of any company in any jurisdiction which carries out any activities which compete with any business carried on by the Company. They are required to immediately disclose any such conflict or potential conflict to the Chairman/ Managing Director / Company Secretary, immediately.

7.2 During their appointment they may not, without the prior agreement of the Board, accept a Directorship of a Company that is, or provide their services to any person who is, a competitor of the Company. The Board's consent will not be granted if such appointment or involvement would, in the opinion of the Board, conflict with or be likely to interfere with their appointment as an Independent Director.

VIII. DISCLOSURES

During the terms of the Independent Director, he/she will promptly notify/ intimate the Company of the following:

- a. any change in their directorships;
- b. any other disclosures and information as may be required under the applicable laws;
- c. any potential conflict of interest with the position as “Independent Director” of the Company, upon becoming aware of the same;
- d. Declaration under Section 149(7) of the Companies Act, upon any change in circumstances which may affect the status as an “Independent Director”; and
- e. any change in address or other contact and personal details provided to the Company.

IX. PERFORMANCE EVALUATION

The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The re-appointment of Independent Director shall be based on report of performance evaluation.

X. SEPARATE MEETINGS

10.1 The Independent Directors of the Company shall hold at least one meeting in a financial year, without the attendance of Non-Independent Directors and members of management. All the Independent Directors of the Company shall strive to be present at such meeting.

10.2 The meeting shall:

- a. review the performance of non-independent Directors and the Board as a whole;
- b. review the performance of the Chairperson of the company, taking into account the views of Executive Directors and Non-Executive Directors;
- c. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

XI. TERMINATION

11.1 Appointment as an Independent director may be terminated by either party by giving atleast 30 days prior notice in writing.

11.2 Appointment as an Independent director shall be terminated immediately in the following cases:

- a. they are appointed to the Board of Directors of any other competitor of the Company in any jurisdiction without the prior consent of board of directors.
- b. they incur any disqualifications specified under section 164 of the Companies Act, 2013 or any other provisions contained therein, or by virtue of an order of the Court/ Tribunal of

competent jurisdiction in any proceeding unless an appeal is preferred by them against the order of the Court / Tribunal.

- c. they breach the terms & conditions on which they are appointed.

XII. CONFIDENTIALITY

Independent director shall maintain confidentiality of all information received by him, in whatever form during his tenure. On reasonable request, Director shall surrender any documents and other materials made available to them by the Company.

Attention is also drawn to the requirements under the applicable regulations and the Insider Trading Code which is concerned with the disclosure of price sensitive information and dealing in the securities of the Company. Consequently, director should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Company Secretary.

Unless specifically authorized by the Company, the Independent Director shall not disclose Company and business information to public constituencies such as the media, the financial community, employees, members, agents, franchises, dealers, distributors, and importers.

XIII. MISCELLANEOUS

- 13.1** Independent Directors shall give an annual declaration as required under the provision of section 149(7) of the Companies Act, 2013 and the rules made thereunder.
- 13.2** An Independent Director shall not serve as an Independent Director in more than seven listed companies as may be stipulated by the SEBI Listing Regulations or any other law of the land, for the time being in force.
- 13.3** Further, an Independent Director who is serving as a whole-time director in any listed company shall not serve as an independent director in more than three listed companies or such number of listed companies as may be stipulated by the SEBI Listing Regulations or any other law of the land, for the time being in force.

XIV. AMENDMENT

The Board of Directors of Kay Jay Forgings Limited may amend this code from time to time.

XV. APPROVAL

This policy is being approved at the meeting of the Board of Directors dated **August 18, 2025**.

Date: August 18, 2025

Place: Ludhiana

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

CODE FOR INDEPENDENT DIRECTORS

(As per Schedule IV of the Companies Act, 2013)

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct

An independent director shall:

- 1.1** uphold ethical standards of integrity and probity;
- 1.2** act objectively and constructively while exercising his duties;
- 1.3** exercise his responsibilities in a bona fide manner in the interest of the company;
- 1.4** devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 1.5** not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- 1.6** not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- 1.7** refrain from any action that would lead to loss of his independence;
- 1.8** where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- 1.9** assist the company in implementing the best corporate governance practices.

II. Role and functions

The independent directors shall:

- 2.1** help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- 2.2** bring an objective view in the evaluation of the performance of board and management;
- 2.3** scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 2.4** satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- 2.5** safeguard the interests of all stakeholders, particularly the minority shareholders;
- 2.6** balance the conflicting interest of the stakeholders;

- 2.7 determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- 2.8 moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties

The independent directors shall—

- 3.1 undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 3.2 seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- 3.3 strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- 3.4 participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 3.5 strive to attend the general meetings of the company;
- 3.6 where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- 3.7 keep themselves well informed about the company and the external environment in which it operates;
- 3.8 not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 3.9 pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- 3.10 ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- 3.11 report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- 3.12 acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 3.13 not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

IV. APPOINTMENT

- 4.1** The Appointment of Independent Directors is for a term as may be approved by Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee, subject to the approval of members while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively;
- 4.2** As an Independent Director, the provisions for retirement by rotation at each Annual General Meeting shall not apply on Independent Director;
- 4.3** The Independent Director may be re-appointed on the recommendation of Nomination and Remuneration Committee, subject to approval of Shareholders;
- 4.4** The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder and that the proposed director is independent of the management;
- 4.5** The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
- (a) the term of appointment;
 - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - (d) provision for Directors and Officers (D and O) insurance, if any;
 - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
 - (f) the list of actions that a director should not do while functioning as such in the company; and
 - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- 4.6** The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours;
- 4.7** The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. ROLE, DUTIES AND RESPONSIBILITIES

- 5.1** The Independent Director is an independent non-executive director and will be identified as such in the annual report and other documentation of the Company. If circumstances change, and he/she believes that his/her independence will be in doubt, the Independent Director should discuss the same with the Chairman of the Company as soon as practicable and further course of action should be taken by the Company as per applicable law, in timely manner;

- 5.2 They shall perform their duties, whether statutory or fiduciary faithfully, efficiently and diligently, with due and reasonable care to a standard commensurate with both the functions of their role as an Independent Director and knowledge, skills and experience;
- 5.3 They shall act in accordance with the Company's Memorandum of Association and Articles of Association and as per the applicable law;
- 5.4 They are requested to acquaint themselves with the Company's operations and businesses and update themselves regularly. They shall act in good faith in order to promote the objects of the Company for the benefit of the members of the Company as a whole, and in the best interest of the Company;
- 5.5 They will exercise their powers in their role as an Independent Director having regard to the relevant obligations under prevailing law including Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("**SEBI LODR Regulations**"). They shall comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities;
- 5.6 By their acceptance of this appointment as an Independent Director, they confirm that they are able to devote sufficient time to meet the expectations of their role;
- 5.7 During the appointment, they will be required to serve on one or more of the committees of the Board, i.e., Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, Stakeholders' Relationship Committee or such other Committees, as the Board may decide;
- 5.8 They, unless otherwise approved by the Board, shall not be involved in a situation in which he/she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
- 5.9 They shall not achieve or attempt to achieve any undue gain or advantage either to himself/herself or his/ her relatives, partners, or associates;
- 5.10 They shall not assign office of Director and any assignments so made shall be void;
- 5.11 During their appointment (except in the proper and normal performance of their duties as an Independent Director) or at any time after completion of their tenure, they shall not make use of or divulge to any person, any confidential information relating to the Company, any Related Party or any stakeholder of the Company without the prior written consent of the Board;
- 5.12 During their appointment to use all reasonable endeavors to prevent the publication or disclosure of any confidential information relating to the Company, any Related Party or any stakeholder of the Company;
- 5.13 They shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to section 149(8) of the Companies Act, 2013 and duties of directors as provided in the Companies Act, 2013 (including Section 166);
- 5.14 They shall also comply with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Code of Conduct for Prevention of Insider Trading of the Company. The directors shall not make use of unpublished price sensitive information;

- 5.15 Unless specifically authorised to do so by the Board, they will not enter into any legal or other commitment or contract on behalf of the Company.

VI. LIABILITIES

- 6.1 Though the Board as a whole is collectively responsible for promoting the success of the Company by directing and supervising its affairs in a responsible and effective manner, in their capacity as an Independent Director they will be held liable in respect of such acts of omission or commission by a company which had occurred with their knowledge, attributable through Board processes and with their consent or connivance or where they have not acted diligently;
- 6.2 Any breach of duties specified or expected of them as an Independent Director may expose them to penal consequences as specified under the Companies Act, 2013 or any applicable law in force.

VII. REMUNERATION

- 7.1 As Independent Directors, they shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members, as per the provisions of the Companies Act, 2013 and the Articles of Association of the Company. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board from time to time which shall not exceed Rs. 1,00,000;
- 7.2 In addition to the sitting fees, commission that may be determined by the Board may also be payable to them. In determining the amount of this commission, the Board supported by the Nomination and Remuneration Committee may consider performance of the Company and their performance as evaluated by the Board;
- 7.3 The Company may pay or reimburse to the Director such expenditure, as may have been incurred by them while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by them for accommodation, travel and any out-of-pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of their duties as Independent Directors;
- 7.4 The Independent Director will not be eligible to participate in Stock Options schemes of the Company.

VIII. INDUCTION

Where Independent Director so require, the Company Secretary and Compliance Officer shall arrange for Independent Director to participate in an induction program that includes:

- Meetings with major shareholders;
- Meetings with members of senior management;
- Visits to key premises and branches; and
- An induction pack of information concerning the company, its constitution, relevant laws and regulations.

IX. STATUS OF APPOINTMENT

The Independent Director will not be the employee of the Company and the appointment letter shall not constitute a contract of employment. The Directors will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and / or as approved by the members from time to time.

X. CONFLICT OF INTEREST

- 10.1** By accepting appointment as an Independent Director, they confirm that, apart from those interests disclosed in writing to the Board, they have no existing causes of likely conflict of interest with the business of the Company. In particular, they confirm that they do not serve as a director of any company in any jurisdiction which carries out any activities which compete with any business carried on by the Company. They are required to immediately disclose any such conflict or potential conflict to the Chairman / Managing Director / Company Secretary, immediately.
- 10.2** During their appointment they may not, without the prior agreement of the Board, accept a Directorship of a Company that is, or provide their services to any person who is, a competitor of the Company. The Board's consent will not be granted if such appointment or involvement would, in the opinion of the Board, conflict with or be likely to interfere with their appointment as an Independent Director.

XI. DISCLOSURES

During the terms of the Independent Director, he/she will promptly notify/ intimate the Company of the following:

- a.** any change in their directorships;
- b.** any other disclosures and information as may be required under the applicable laws;
- c.** any potential conflict of interest with the position as "Independent Director" of the Company, upon becoming aware of the same;
- d.** Declaration under Section 149(7) of the Companies Act, 2013 upon any change in circumstances which may affect the status as an "Independent Director"; and
- e.** any change in address or other contact and personal details provided to the Company.

XII. PERFORMANCE EVALUATION

The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

The re-appointment of Independent Director shall be based on report of performance evaluation.

XIII. SEPARATE MEETINGS

13.1 The Independent Directors of the Company shall hold at least one meeting in a financial year, without the attendance of Non-Independent Directors and members of management. All the Independent Directors of the Company shall strive to be present at such meeting.

13.2 The meeting shall:

- review the performance of non-independent Directors and the Board as a whole;

- review the performance of the Chairperson of the company, taking into account the views of Executive Directors and Non-Executive Directors;
- assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

XIV. TERMINATION

14.1 Appointment as an Independent director may be terminated by either party by giving atleast 30 days prior notice.

14.2 Appointment as an Independent director shall be terminated immediately in the following cases:

- they are appointed to the Board of Directors of any other competitor of the Company in any jurisdiction without the prior consent of board of directors.
- they incur any disqualifications specified under section 164 of the Companies Act, 2013 or any other provisions contained therein, or by virtue of an order of the Court/ Tribunal of competent jurisdiction in any proceeding unless an appeal is preferred by them against the order of the Court / Tribunal.
- they breach the terms & conditions on which they are appointed.

XV. CONFIDENTIALITY

Independent director shall maintain confidentiality of all information received by him, in whatever form during his tenure. On reasonable request, Director shall surrender any documents and other materials made available to them by the Company.

Attention is also drawn to the requirements under the applicable regulations and the Insider Trading Code which is concerned with the disclosure of price sensitive information and dealing in the securities of the Company. Consequently, director should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Company Secretary.

Unless specifically authorized by the Company, the Independent Director shall not disclose Company and business information to public constituencies such as the media, the financial community, employees, members, agents, franchises, dealers, distributors, and importers.

XVI. MISCELLANEOUS

16.1 Independent Directors shall give an annual declaration as required under the provision of section 149(7) of the Companies Act, 2013 and the rules made thereunder.

16.2 An Independent Director shall not serve as an Independent Director in more than seven listed companies as may be stipulated by the SEBI Listing Regulations or any other law of the land, for the time being in force.

16.3 Further, an Independent Director who is serving as a whole-time director in any listed company shall not serve as an independent director in more than three listed companies or such number of listed companies as may be stipulated by the SEBI Listing Regulations or any other law of the land, for the time being in force.

XVII. AMENDMENT

The Board of Directors of Kay Jay Forgings Limited amend this code from time to time.

XVIII. APPROVAL

This policy is being approved at the meeting of the Board of Directors dated **August 18, 2025**.

POLICY FOR FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTOR

I. PREAMBLE

- 1.1** This Policy shall be called the “**Policy for Familiarization Programme for Independent Director of Kay Jay Forgings Limited** (the “**Company**”).
- 1.2** The Policy is made in compliance with **Regulation 25(7)** of the SEBI LODR Regulations and Companies Act, 2013 (the “**Companies Act**”) which stipulates that the Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes.
- 1.3** As per **Regulation 46(2) of the SEBI LODR Regulations**, the listed entity shall disseminate the details of familiarization programmes imparted to Independent Directors under a separate section on its website.
- 1.4** As per ‘**Schedule IV**’ of the **Companies Act** i.e., ‘**Code for Independent Directors**’, the **Independent** Directors shall undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company.
- 1.5** The policy has been approved by the Board on **August 18, 2025**.

II. PURPOSE OF THE POLICY

The Policy is made with an objective to adopt an organized programme for orientation and training of Independent Directors at the time of their joining so as to facilitate them to understand the Company – its business operations, business model, industry and the environment in which it functions, the laws, rules, regulations and guidelines applicable to the Company and the Independent Directors’ roles, rights and responsibilities and to keep informed the Independent Directors on a continuing basis on any significant changes therein so as to be in a position to take well-informed and timely decisions.

III. OBJECTIVE

By means of the different Program, the Company intends to achieve the following objectives:

- a) To appraise the Directors about the affairs and manner of conducting business operations of the Company;
- b) To inform them of all the laws, rules, regulations and guidelines applicable to the Company;
- c) To make them aware of the rules, responsibilities, liabilities pursuant to the SEBI LODR Regulations and the Companies Act and rules made thereunder; and
- d) To accustomed to the Directors with their roles, rights and responsibilities that would facilitate their active participation in contributing towards the growth of the Company and decision making on key matters discussed at the Board Meetings.

The Programme has been designed considering the specific needs of contemporary Corporate Governance and the expected obligations of Independent Directors in view of the onerous responsibility conferred by the Companies Act and the SEBI LODR Regulations as amended from time to time.

IV. CONTENTS OF THE PROGRAMME

The basic theme of the program would, inter alia, include -

- Roles, Rights, Duties, Responsibilities and Liabilities of the Directors;
- Business Model of the Company thereby including the nature of industry in which the Company falls, its product and services, geographical area of operation of the Company;
- Management Techniques;
- Visit to the project site;
- Time allocation by the Independent Directors on financial controls, overseeing systems of risk management, financial management compliance, corporate social responsibility, stakeholders' conflicts, Board effectiveness, strategic direction, meetings and performance assessment;
- Directors Responsibility Statement forming part of Boards' Report;
- Vigil Mechanism including policy formulation, disclosures, code for Independent Directors, fraud response plan, obtaining Audit Committee approval, wherever required;
- Board evaluation process and procedures;
- Dealing with related party transactions under the Companies Act and the SEBI LODR Regulations;
- Internal Financial Controls; and
- Loans and Investments under the Companies Act.

V. APPLICABILITY

The above Programme will be conducted for new and continuing Independent Directors of the Company. Apart from Independent Directors, Non-Executive Directors are also eligible to attend the familiarization programmes.

VI. FAMILIARIZATION PROCESS

6.1 AT THE TIME OF APPOINTMENT

- A familiarisation pack will be handed over to the newly inducted Independent Director, which will include the Company's corporate profile, its vision, mission and value statement, the Company's organisational structure, the Company's history and milestone, latest annual report, Code of Conduct for Directors and senior management and Code of Conduct for Prevention of Insider Trading along with a summary on do's and don'ts pertaining to Insider Training. It will also include the details of nature of industry and the external environment in which the Company operates.
- A detailed appointment letter incorporating the role, duties and responsibilities will be issued to the Independent Director for his/her acceptance.

- They will also be introduced to the Company Secretary for understanding the shareholding pattern, Board Structure, Board committees the Board Committees and their functions, policies applicable to the Independent Director, their roles, responsibilities, duties, rights as a director and the laws applicable to the Company, their monitoring and compliance process and the Finance Head for understanding the financial and other related aspects of the company.

6.2 REGULAR FAMILIARIZATION

The Company through its Managing Director / Executive Director / Key Managerial Personnel will conduct programmes / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.

- Such programmes / presentations provide an opportunity to the Independent Directors to interact with the Senior Management of the Company and help them to understand the Company's strategy, business model, operations, services, product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time.
- The programmes/presentations also familiarise the Independent Directors with their roles, rights and responsibilities. The Company may include such other details and information, as required, during the introductory familiarization programme / presentation, when a new Independent Director comes on the Board of the Company.
- When a new Independent Director comes on the Board of the Company, a meeting will be arranged with the Managing Director & Group CEO, Chief Financial Officer to discuss the functioning of the Board and the nature of the operation of the Company's business activities.

VII. AMENDMENT

- 7.1** The provisions of this Policy can be amended/ modified by the Board from time to time and all such amendments/ modifications shall take effect from the date stated therein. All Directors and Senior Management Personnel shall be duly informed of such amendments and modifications.

VIII. DISCLOSURE

- 8.1** The Company shall upload its familiarization program on its website and a web link for the same shall be provided in the Company's Annual Report.
- 8.2** As and when the familiarization program is conducted the same will be disclosed on the website with the following details:
- a. Number of programs attended by independent directors (during the year and on a cumulative basis till date).
 - b. Number of hours spent by independent directors in such programs (during the year and on a cumulative basis till date).
 - c. Other relevant details.

IX. POLICY REVIEW

In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the policy inconsistent with the Act or SEBI LODR Regulations, then the provisions of the Act or SEBI LODR Regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Board of directors as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy shall be done with the approval of Board of Directors only.

Date: August 18, 2025

Place: Ludhiana

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