

## **LGB FORGE LIMITED**

### **CRITERIA FOR REMUNERATION OF NON - EXECUTIVE DIRECTORS**

Non-Executive Directors' compensation include payment of a fixed amount as sitting fees for attending the meeting of the Board and committees thereof and a Commission on the net profits.

**i. Sitting Fees:**

The Non- Executive Directors, both independent and non-independent are entitled to receive remuneration by way of sitting fees for attending meetings of Board and sub-Committees of the Board as may be recommended by the Committee and approved by the Board within the limits prescribed by the Central Government from time to time.

**ii. Commission:**

The Non-Executive Directors are also entitled to a Commission on the net profits of the Company at a fixed amount if approved by the shareholders. The overall commission payable to all the Non-executive Directors should not exceed the limit of 1% of the net profits per annum as provided under Section 197 of the Act.

**iii. Reimbursement of Expenses:**

The Company reimburses to the Directors all the travelling and other out of pocket expenses incurred by them in attending the Meetings of the Board, Meetings of Board Committees and the General Body meetings.

**iv. Stock Options:**

The Company is not offering any stock option to the Non-Executive Directors of the Company.

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