GUJARAT VICTORY FORGINGS LIMITED

NOMINATION AND REMUNERATION POLICY

[ADOPTED BY BOARD ON 12TH MARCH, 2026]

DESCRIPTION OF DOCUMENT: *This document provides a brief description of the Nomination and Remuneration Policy at Gujarat Victory Forgings Limited.*

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NOMINATION AND REMUNERATION POLICY

The following is the Nomination and Remuneration Policy (the **"Policy"**) adopted by Gujarat Victory Forgings Limited (hereinafter referred to as the "**Company**") in accordance with the provisions of the Articles of Association of the Company, Section 178 of the Companies Act, 2013 ("**the Act**") and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI Listing Regulations**") .

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1. INTRODUCTION

This Policy provides the framework for remuneration of members of the Board of Directors (**"Board"**), Key Managerial Personnel, Senior Management and other employees of the Company.

This Policy reflects the remuneration philosophy and principles of the Company and considers the pay and employment conditions with peers / competitive market to ensure that pay structures are appropriately aligned.

2. OBJECTIVE

The Company recognises the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Company has therefore formulated this Policy keeping in view the following objectives:

2.1. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the Company successfully.

2.2. Ensuring that the relationship of remuneration to performance is clear and meets the performance benchmark.

2.3. Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

3. SCOPE

This Policy sets out the guiding principles for the Nomination and Remuneration ("**N&R"**) Committee for recommending to the Board the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

4. REMUNERATION TO EXECUTIVE DIRECTORS

4.1. The Board, on the recommendation of the N&R Committee, shall review and approve the remuneration payable to the executive directors of the Company within the overall limits approved by the shareholders.

4.2. 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.

4.3. The N&R Committee will determine the annual variable pay compensation in the form of annual incentive and annual increment for the executive director based on Company's and individual's performance as against the pre-agreed objectives for the year.

4.4. The executive directors, except a promoter director, will also be eligible for employee stock option scheme(s) / plan ("**ESOP**") as per the ESOP scheme / plan in force from time to time. Grants under the ESOP scheme / plan shall be approved by the N&R Committee.

4.5. 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.

4.6. Executive directors will not be paid sitting fees for any Board/ committee meetings attended by them.

4.7. The remuneration structure to the executive directors and key managerial personnel shall include the following components:

(i) fixed compensation
(ii) variable compensation in the form of annual incentive
(iii) perquisites and allowances
(iv) work related facilities and loans & advances in accordance with their service conditions
(v) such other benefits/perquisites as may be periodically determined relevant by the HR policies of the Company.

5. REMUNERATION TO NON-EXECUTIVE DIRECTORS

5.1. Non-Executive Directors ("**NEDs**") will be paid remuneration by way of sitting fees and commission. The remuneration/ commission/ compensation to the NEDs will be decided by the Board in accordance with this Policy and subject to applicable conditions of the SEBI Listing Regulations.

5.2. As approved by the shareholders at the shareholders meeting, the commission will be paid at a rate computed in accordance with Section 198 of the Act. The commission to be paid will be restricted to a fixed sum within the aggregate ceiling prescribed under Section 198 read with Section 197 of the Act, being one percent (1%) of the net profits of the Company where the Company has a managing director or whole-time director, or three percent (3%) of the net profits of the Company where it does not have a managing director or whole-time director annually based on their tenor in office during the financial year.

5.3. The payment of the commission to the NEDs will be placed before the Board every year for its consideration and approval. The sitting fee payable to the NEDs for attending the Board and other committee meetings will be fixed, subject to the statutory ceiling. The fee will be reviewed periodically and aligned to comparable best in class companies.

5.4. Keeping with evolving trends in industries and considering the time and efforts spent by specific NEDs, the practice of paying differential commission will be considered by the Board.

5.5. Independent directors will not be eligible to receive stock options under the ESOP scheme / plan of the Company.

5.6. Where the annual remuneration payable to a single NED exceeds 50% of the total annual remuneration payable to NEDs, the approval of the shareholders in the manner specified in applicable laws/ regulations shall be obtained.

6. REMUNERATION TO KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

The chief executive officer/manager/managing director, executive directors, company secretary and chief financial officer, and members of management one level below the chief executive officer/managing director/whole time director/manager of the Company who are designated as such by the Board pursuant to the proviso to Section 203(1) of the Companies Act, 2013, shall be deemed to be the Key Managerial Personnel ("KMP's"). "Senior Management Personnel" ("SMP's") for the purpose of this Code shall mean the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall, consistent with the Explanation to Regulation 16(1)(d) of the SEBI Listing Regulations and Clause 3.2 of the Company's Code of Conduct for Directors and Senior Management, include the Company Secretary and the Chief Financial Officer, in addition to such other officers as are designated by the Board from time to time as Senior Management Personnel (presently comprising the Production Manager and the Manager – Accounts, pursuant to the Board resolution dated 12th March, 2026).

6.1. The Company's total compensation for KMP's / SMP's defined under the Companies Act, 2013 will comprise of:

(i) fixed compensation
(ii) variable compensation in the form of annual incentive
(iii) perquisites and allowances
(iv) work related facilities and loans & advances in accordance with their service conditions
(v) such other benefits/perquisites as may be periodically determined relevant by the HR policies of the Company.

6.2. In addition, select senior executives will be eligible for long-term incentive plan in the form of ESOPs, as per the ESOP scheme / plan in force from time to time. Grants under the ESOP scheme / plan will be approved by the N&R Committee.

6.3. The N&R Committee shall recommend to the Board, all remuneration, in whatever form, payable to the KMP's and SMP's.

6.4. Fixed compensation 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 will include basic salary, housing allowance, leave travel allowance, cash allowance etc.

6.5. The annual incentive (variable pay) of executives will be linked directly to the performance of the relevant business unit and the Company in accordance with the employees incentive scheme of the Company as formulated from time to time.

6.6. Based on the grade and seniority of employees, benefits for employees include:

(i) Health-related
(ii) Health (hospitalization) insurance
(iii) Accident and life insurance
(iv) Retirement-related
(v) Contribution to a superannuation fund (in addition to statutory benefits such as provident fund account, gratuity, etc.)

6.7. Employees will also be eligible for work related facilities and perquisites as may be determined through human resources policies issued from time to time based on the grade of the employee.

6.8. A formal annual performance management process will be applicable to all employees, including senior executives and KMP's. Annual increases in fixed and variable compensation for individual executives will be directly linked to the performance ratings of individual employee.

6.9. Overall compensation shall be subject to periodic reviews which takes into account data from compensation surveys conducted by specialist firms, as well as factors such as affordability based on the Company's performance and the economic environment.

7. REMUNERATION TO OTHER EMPLOYEES

7.1. Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

7.2. Employees may be eligible for ESOPs as per the ESOP scheme / plan approved by the shareholders and in force from time to time. The objective of the ESOP scheme / plan will be to reward employees for their contribution to the long term growth and profitability of the Company by providing a platform to share the value they create for the Company.

7.3. Employees may be eligible for severance payments in accordance with the termination clause in their employment agreement subject to applicable regulatory requirements.

8. REVIEW AND AMENDMENTS

Any subsequent amendment/modification in the Act, the SEBI Listing Regulations and/or other applicable laws in this regard shall automatically apply to the Policy.

The Board (including its duly constituted committees) may, from time to time, make amendments to this Policy to the extent required due to changes in applicable laws and the SEBI Listing Regulations or as deemed fit on a review. The modifications, if any, made to the Policy shall be disclosed on the website of the Company.

(This Policy is approved and adopted by the Board of Directors of the Company in its meeting held on 12th March, 2026)

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For and on behalf of Board
Gujarat Victory Forgings Limited
(Formerly Known as Gujarat Victory Forgings Private Limited)



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