



LUMINO INDUSTRIES LIMITED | CRITERIA FOR MAKING PAYMENTS TO NON-EXECUTIVE DIRECTORS

With changes in the corporate governance norms brought by the Companies Act, 2013 as well as the SEBI (Listing Obligation Disclosure Requirement) Regulation 2015, the role of Non-Executive Directors (NEDs) and the degree and quality of their engagement with the Board and the Company has undergone significant changes over a period of time. The Company is being hugely benefited from the expertise, advice and inputs provided by the NEDs. They devote their valuable time in deliberating on the strategic and critical issues in the course of the Board and Committee meetings of the Company and give their valuable advice, suggestion and guidance to the management of the Company from time to time. The Company believes that the overall remuneration (including sitting fees, commission if any etc) paid to the NEDs should be appropriate and reasonably sufficient to attract, retain and motivate Directors aligned to the requirements of the Company matching with best of the industrial norms, taking into consideration the challenges faced by the Company and its future growth imperative.

SEBI (Listing Obligation Disclosure Requirement) Regulation 2015 requires every company to publish its criteria of making payments to NEDs in its annual report. Alternatively, this may be put up on the company's website and reference may be drawn thereto in its annual report.

The Companies Act, 2013 facilitates a Company to remunerate its non-executive directors in case of loss or inadequacy of profit in the Company in terms of Schedule V to the said Act, apart from the existing provision to pay commission based on profits of the Company in case of sufficient profit in the Company in terms of the provisions of Section 197 of the said Act. Further, non-executive directors will also be entitled for payment of sitting fees for attending the meeting of the Board of Directors of the Company or any committee thereof subject to legal stipulations.

In keeping with the above, any fee/remuneration payable to the NEDs (including Independent Directors) of the Company shall be governed by the following:

➤ Sitting Fee:

NEDs may receive remuneration by way of sitting fee for attending meetings of the Board or Committee thereof or any other meeting as required under The Companies Act, 2013, SEBI (Listing Obligation Disclosure Requirement) Regulation 2015 or other applicable law.

The Board has the flexibility to decide the sitting fees payable to NEDs from time to time within the parameters prescribed by law.

➤ Commission:

Section 197(6) of the Companies Act, 2013, 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 subject to the limits as mentioned therein or as approved by the Board or shareholders of the Company, as the case may be.

➤ Remuneration:

Remuneration may be paid to NEDs including Independent Directors in case of inadequacy of profit or loss in any financial year in terms of the provisions of Schedule V to the Companies Act, 2013 and as approved by the Board of Directors of the Company, subject to other stipulations as mentioned in the Companies Act, 2013 and the rules related thereto.

➤ 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 such sums either as fixed allowance and /or actual as fair compensation for travel, boarding and lodging and incidental and /or actual out-of-pocket expenses incurred by such member for attending Board/Committee Meetings.

➤ **Stock Option**

As per the Regulation 17 of the Listing Regulations, the shareholders' resolution shall specify the limits for the maximum number of stock options that can be granted to non-executive directors, if any in financial year and in aggregate. Further, the difference in exercise price and the fair market value price post vesting of grant will be treated as perquisites and will constitute part of remuneration, subject to TDS, of the non-executive directors in the year of allotment of ESOP by the Company.

Provided that an independent director shall not be entitled to any stock option.

AMENDMENTS

The Company reserves the right to modify and/or amend this document at any time subject to the applicable provisions the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

NOTE:

1. Based on the recommendation of the Nomination & Remuneration Committee at its meeting held on 21st September 2026 the policy was approved and adopted by the Board of Directors of the Company at its meeting held on 21st September 2026.