



# **VIPUL LIMITED**

## **NOMINATION, REMUNERATION AND PERFORMANCE EVALUATION POLICY**

The Board of Directors (“the Board”) of Vipul Limited (“the Company”) has adopted this Nomination, Remuneration and Performance Evaluation Policy (“the Policy”). The Policy is in compliance with Section 178 of the Companies Act, 2013 read with rules thereto and Clause 49 of the Listing Agreement (hereinafter referred as “the Regulations”). The Policy shall apply to the Board, Key Managerial Personnel and the Senior Management Personnel of the Company.

#### **DEFINITIONS**

“Key Managerial Personnel (“KMPs”) as defined under the Companies Act, 2013.

“Senior Management” means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level below the executive Directors, including all the functional heads.

#### **NOMINATION AND REMUNERATION COMMITTEE**

Nomination & Remuneration Committee (“the Committee”) duly constituted under the provisions of Section 178 of the Companies Act, 2013, comprises of following Directors as its Members:

- Mr. Rajesh Batra
- Mr. Vikram Kochhar
- Mr. Kapil Dutta

The members of the Committee present at the meeting shall choose one amongst them to act as Chairperson of the Committee. The Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairperson of the Committee. The Chairperson of the Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders’ queries.

#### **TERMS & REFERENCE**

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- To recommend the Board for Appointment/ Removal of Director(s), Key Managerial Personnel(s) and Senior Management Personnel(s).
- To carry out evaluation of Directors’ performance.
- To recommend to the Board on Remuneration for the Director(s), Key Managerial Personnel(s) and Senior Management Personnel(s).
- To formulate the criteria for evaluation of Independent Director(s) and the Board.
- To devise a policy on Board diversity.
- Recommend to the board, all remuneration, in whatever form, payable to senior management
- Such other key issues/matters as may be referred by the Board or as may be necessary in view of the Regulations.

#### **REMUNERATION**

The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Director(s), Key Management Personnel(s) and Senior Management Personnel(s) of the Company. The payment of Remuneration to them is governed by the provisions of the Companies Act, 2013 and rules thereto, if applicable.

The Company shall disclose the above information's in the Board's report.

**PERFORMANCE EVALUATION CRITERIA**

The Committee shall carry out evaluation of performance of every Director, KMPs and Senior Management personnel of the Company.

The performance evaluation of Managing Director or Whole time Director or Non-Independent Director(s) will be conducted by the Independent Directors in a separate meeting of the Independent Directors.

The performance evaluation of Independent Director(s) shall be done by the entire Board of Directors, excluding the Director being evaluated.

The Company shall disclose the criteria for performance evaluation in its Annual Report.

**CONFLICT OF INTEREST**

A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

**POLICY ON BOARD DIVERSITY**

The Board of Directors shall have the optimum combination of Directors from the different areas/fields to meet the requirements of the business of the Company and/or applicable laws for the time being in force.

The Board shall have at least one Board member who has accounting or related financial management expertise and at least three members who are financially literate.

**AMENDMENT**

The Board may review and amend this policy from time to time subject to the recommendations of Nomination & Remuneration Committee.

# **Annexure to the Policy**

## **1. CRITERIA FOR APPOINTMENT OF THE DIRECTORS:**

### **(A) Qualifications for Directors (including Independent Directors):**

- *Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service.*
- *Their financial or business literacy/skills.*
- *Appropriate other qualification/experience to meet the objectives of the Company.*
- *Fulfillment of such other requirement of the Companies Act 2013, read with Rules made thereunder and Clause 49 of Listing Agreement as amended from time to time.*

### **(B) Positive attribute of Directors (including Independent Directors):**

- *Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.*
- *Actively update their knowledge and skills with the latest developments in the industry, market conditions and applicable legal provisions.*
- *Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.*
- *To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.*
- *Ability 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.*
- *To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.*

### **(C) Independence of Directors:**

- *Independent Director shall meet the criteria specified in Section 149(6) of the Companies Act, 2013 and rules made thereunder and Clause 49 of the Listing Agreement entered into with the Stock Exchanges.*

## **2. CRITERIA FOR APPOINTMENT OF KMP/SENIOR MANAGEMENT:**

- *Persons possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities.*
- *To practice and encourage professionalism and transparent working environment.*
- *To build teams and carry the team members along for achieving the goals/objectives and corporate mission.*
- *To adhere strictly to code of conduct.*

**CRITERIA FOR EVALUATION OF THE BOARD/INDEPENDENT DIRECTORS/  
COMMITTEE OF THE COMPANY**

**Criteria of assessment of Independent directors:**

<b>KNOWLEDGE TO PERFORM THE ROLE</b>	<b>MEANINGFUL PARTICIPATION</b>	<b>COMMUNICATIONS</b>	<b>PROFESSIONAL CONDUCT AND INDEPENDENCE</b>
Demonstrates knowledge of the Sector in which the Company operates	Comfortable being an active, inquiring participant.	Communicates freely with other Board members.	Has complied with the Code of Business Conduct and Ethics.
Has understanding of the key risks facing the Company.	Participates in Board process in a meaningful way.	Asks insightful questions and raises thought-provoking perspectives.	Has complied with the Code of Conduct for prevention of Insider Trading.
Has an understanding of the Key Policies of the Company.	Has confidence and willingness to express ideas and engage in constructive discussion.	Willing to hold management accountable for performance and results.	-
-	Comfortable being an active, inquiring participant.	Effective follow up on matters on which he/she has expressed concern.	-
-	Participates in Board process in a meaningful way.	Listens with an open mind.	-
-	Has confidence and willingness to express ideas and engage in constructive discussion.	-	-
-	Actively participates in decision making and is willing to make tough decisions.	-	-
-	Is diligent and faithful in attending Board and Committee meetings.	-	-

### Criteria of assessment of Board of Directors as a whole:

<b>STRATEGIC PLAN AND PERFORMANCE</b>	
1.	The Board has diversity of experience, background and appropriate composition.
2.	The Board monitors financial and other indicators throughout the year, and takes appropriate action as required.
3.	The Board regularly assesses strategic and operating risks and takes appropriate risks as required.
4.	The Board appropriately relates the compensation of the Executive Directors to performance.
5.	The Board is diligent in verifying the integrity of its financial and management controls and systems.
<b>MANAGEMENT INTERACTION</b>	
1.	The Board has sufficient formal and informal interaction with the management and senior executives.
2.	The Board is able to function independently of Management and has mechanisms in place to maintain that distinction.
3.	The Board receives appropriate advice and counsel from Management.
<b>BOARD OF DIRECTORS OPERATIONS</b>	
1.	The Board has an adequate process for educating and updating Directors on the business operations of the Company.
2.	The number and length of Board Meetings is appropriate
3.	The Board meetings are conducted effectively with sufficient time spent on significant matters.
4.	The amount of information received in Board agenda is appropriate for discussion and decision making purposes.
5.	The Board ensures that the management take action to achieve resolution when there are repeat observations / reservations / comments from the statutory auditors.

### Criteria for Assessment Committees Of The Company

<b>COMMITTEE STRUCTURE</b> <input type="checkbox"/> Audit <input type="checkbox"/> Nomination and Remuneration <input type="checkbox"/> Stakeholders Relationship <input type="checkbox"/> Corporate Social Responsibility <input type="checkbox"/> Risk Management <input type="checkbox"/> other Committees	
1.	The Committee structures are appropriate.
2.	The delegation of responsibilities by the Board to its Committees is appropriate.
3.	The composition of the Committees is appropriate and in compliance with Clause 49 and applicable provisions of the Companies Act, 2013.
4.	The meetings are conducted in a manner that ensures open communication and meaningful participation.
5.	The amount of information received in agenda is appropriate for discussion and decision making purposes.
6.	The materials are received sufficiently in advance to adequately prepare for meetings.