



VIP CLOTHING LIMITED

REMUNERATION POLICY

Details of Amendments to the Policy				
Policy Change effective Date	Clause No.	Particulars of the Change	Board Approval Date	Version of Policy
<u>11.05.2017</u>		<u>Pursuant to change of name Company had change its name in its policies.</u>	<u>11.05.2017</u>	<u>1</u>
		<u>Revisited by Board of Directors</u>	<u>30.05.2022</u>	

INTRODUCTION:

In pursuance of the company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, key managerial personnel and employees of the company, to harmonize the aspirations of human resources consistent with the goals of the company and in terms of the provisions of the Companies Act, 2013 and the Listing Agreement with the stock exchange (as amended from time to time) this policy on nomination and remuneration of directors, KMP and Senior Management has been formulated by the Nomination and Remuneration Committee ("NRC") and approved by the Board of Directors of the Company.

DEFINITIONS:

1. "Act" means Companies Act, 2013;
2. "Board" means Board of Directors of the Company.
3. "Directors" means Directors of the Company.
4. "Company" means "VIP Clothing Limited"
5. "Employee" means any person who is in the permanent employment of the Company.
6. "Independent Director" means a director referred to in Sect 149 (6) of the Companies Act, 2013.
7. "Key Managerial Personnel" or "KMP" means-
 - (i) Chief Executive Officer or the managing director or the manager;
 - (ii) Company Secretary;

- (iii) Whole-time director;
- (iv) Chief Financial Officer;
- (v) Senior Management

8. **“Nomination and Remuneration Committee”** or **“NRC”** means the committee set-up under section 178 of the Companies Act, 2013 and Para IV of the Clause 49 of the listing agreement entered into by the Company with the stock exchange.
9. **“Senior Management”** mean personnel of the Company occupying the position of from General Manager and above having grade from M3 to M1.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

OBJECTIVE:

The objective of this policy is to lay down a framework in relation to remuneration of Directors, KMP and senior management personnel

APPLICABILITY:

- a) Directors (Executive and Non-Executive)
- b) Key Managerial Personnel
- c) Senior Management Personnel

REMUNERATION TO BOARD MEMBERS:

- a) The overall limits of remuneration of the board members including executive board members (i.e.) managing director, whole-time director, executive directors etc.) are governed by the provisions of section 197 of the Act read with the Rules and Schedules made thereunder and shall be approved by the shareholders of the Company.
- b) Within the overall limit approved by the shareholders, on the recommendation of the NRC, the Board shall determine the remuneration. The Board can determine different remuneration for different directors on the basis of their role, responsibilities, duties, time involvement etc.
- c) While determining the remuneration to Directors, KMP, Senior Management Personnel and other employees, the following shall be ensured:
 - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, KMP, senior management and other employees of the quality required to run the Company successfully;
 - Relationship of remuneration to performance is clear and meets appropriate benchmarks and;
 - Remuneration to directors, KMP, senior management and other employees involves a balance of fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

REMUNERATION TO MANAGING DIRECTOR/WHOLE-TIME DIRECTOR:

The shareholders shall approve maximum permissible amount which can be paid to the Managing Director/Whole-time Director. Within the overall limits approved by the shareholders, on the recommendation of the Nomination and Remuneration Committee, the Board shall have the authority to revise the remuneration from time to time.

REMUNERATION TO NON-EXECUTIVE DIRECTORS:

Pursuant to the provisions of section 197 of the Act and the shareholders' approval, the Board has approved the following remuneration for Non-Executive Directors (including Independent Directors):

Non-Executive Directors shall be entitled to sitting fees for attending meetings of Board and Committee thereof. The amount of sitting fees shall be within the limits as prescribed under the Act and as approved/revise by the Board of Directors from time to time.

The eligibility and the amount of commission to be paid to Non-Executive Directors shall be recommended by the NRC on the basis of the Directors' contribution in terms of time devoted, technical expertise provided by them as measured by:

1. Number of Meetings attended
2. Role and contribution as Chairman / Member of the Board
3. Role and contribution as Chairman / Member of the Committee
4. Additional responsibility / contribution outside the Meetings

The Non-Executive Directors shall be entitled to such commission as approved by the Board within the overall limits approved by the shareholders as prescribed under the applicable provisions of the Act.

The sitting fee shall be payable immediately after the board / board committee meeting to those directors who attend the meeting. The Commission shall be payable at the end of the financial year after approval of the annual financial statements by the Board/Shareholders.

The Independent Directors will not be entitled for grant of Stock Options.

All the Directors shall be entitled to reimbursement of reasonable expenditure incurred by him/her for attending Board/Committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training programmes and in obtaining professional advice from independent advisors in furtherance of his/her duties as a director.

REMUNERATION TO KEY MANAGERIAL PERSONNEL, SENIOR MANAGERIAL PERSONS AND OTHER EMPLOYEES:

The Managing Director shall propose the remuneration for the KMPs to the NRC. The Board shall have the final authority to approve the remuneration based on recommendation of NRC. The remuneration including revision in remuneration of Senior Management Personnel and other employees shall be decided by the Human Resources Department in consultation with Managing Director.

The Key Managerial Personnel, Senior Management Personnel and other employees of the Company (not being a Director) shall also be eligible for grant of stock options, wherever deemed fit, under the applicable Employee Stock Option Scheme of the Company, as may be decided by the NRC from time to time.

ADMINISTRATION, REVIEW AND AMENDMENT OF THE POLICY:

The NRC shall monitor and periodically review the Policy and recommend the necessary changes to the Board for its approval.

The Compliance Officer of the Company is authorised to amend the policy to give effect to any changes/amendments notified by Ministry of Corporate Affairs or the Securities and Exchange Board of India or any other regulatory authority.

The amended policy shall be placed before the Board for noting and ratification. The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.
