

## **NOMINATION AND REMUNERATION POLICY**

### **Introduction**

The Company's ("Company" or "Vimta Labs Limited") has adopted this policy on the appointment and remuneration of Directors, Key Managerial Personnel and Senior Management and provides a framework for payment of suitable remuneration to harmonize the aspirations of human resources consistent with the goals of the Company. The nomination and remuneration policy provided herewith is in line with the requirements of Section 178(4) of the Companies Act ("Act") read with rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations") and other applicable laws (hereinafter referred to as "Relevant laws").

### **Objective and purpose of the policy**

The objectives and purpose of this policy are,

- To evaluate the performance of the members of the Board.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate and recommend remuneration principles for the Directors, Key Managerial personnel and other Senior Management of the Company to the Board of Directors.
- To ensure that the level and composition of remuneration is reasonable and sufficient to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

### **The committee**

The Board has constituted the nomination and remuneration committee of the Board on 10<sup>th</sup> October, 2014. This is in line with the requirements of Companies Act, 2013 (the Act) and the listing agreement entered in to with Stock Exchanges.

The Board has authority to reconstitute this committee or desirable amendments from time to time as necessary.

### **Definitions**

**'Act' means the Companies Act, 2013.**

'The Board' means Board of Directors of the Company.

'Directors' means Directors of the Company.

'The Committee' means the nomination and remuneration committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

'The Company' means Vimta Labs Limited.

'Independent Director' means a director referred to in Section 149(6) of the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015

**Key Managerial Personnel (KMP)** means as defined in Section 2(51) of the Act:

The Managing Director or the Chief Executive Officer and Whole-time Director;  
The Company Secretary and  
The Chief Financial Officer and  
Such other person as defined under the Act from time to time.

'Senior Management' means personnel of the Company who are members of its core management team excluding the Board of Directors. This would include all members of management one level below the Executive Directors, including all functional heads as defined in the Companies Act, 2013

'Other employees' means all the employees other than the Directors, KMPs and the Senior Management Personnel

Remuneration means any money, or its equivalent, given or passed to any person for services rendered by him and includes prerequisites as defined under the Income-tax Act, 1961.

Unless the context otherwise requires, words and expressions used in this policy, and not defined herein but defined in the Companies Act, 2013 and Listing Agreement/ SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 as may be amended from time to time, shall have the same meaning respectively assigned to them therein.

#### **Composition of the Committee:**

The composition of the Committee is / shall be in compliance with the Act, Rules made there under and the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, as amended from time to time.

#### **Role of the Committee:**

The Committee shall:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- b) Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this Policy;
- c) Lay down the evaluation criteria for performance evaluation of Independent Director and the Board;
- d) Recommend to the Board, appointment, remuneration and removal of Director, KMP and Senior Management;
- e) To devise a Policy on Board diversity.

## **The Policy**

This policy is divided into three parts as mentioned below:

Part - A: Covers the matters to be dealt with and to recommend to the Board

Part - B: Covers the appointment and nomination; and

Part - C: Covers remuneration and perquisites etc.

### **Part-A:**

The following matters to be dealt with and recommended to the Board by the committee.

### **Structure of the Board**

Formulate the criteria determining qualifications, positive attributes and independence of a director and recommending candidates to the Board, when circumstances warrant the appointment of a new director, having regard to the range of skills, experience and expertise, on the Board and who will best complement the Board in order to make appropriate decisions in the best interests of the Company as a whole. The committee is to assist the Board in ensuring that diversity of gender, thought, experience, knowledge and perspective is maintained in the Board nomination process, in accordance with the Board diversity requirements of the Company.

### **Succession plans**

Establishing and reviewing Board, KMP and Senior Management's succession plans to ensure and maintain an appropriate balance of skills, experience and expertise.

### **Evaluation of performance**

Make recommendations to the Board on appropriate performance criteria for the Directors. Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company.

Identify ongoing training and education programs for the Board and in particular to the new incumbents, as and when required and to ensure that non-executive Directors are provided with adequate information regarding nature of the business, the industry and their legal responsibilities and duties.

### **Remuneration framework**

The committee is responsible for reviewing and making recommendations to the Board on

- (a) Remuneration of the Managing Director, Whole-time Directors and
- (b) The remuneration for KMPs, employees at Senior Management and other employees.

The structure of the remuneration to be made keeping the best interest of the Company in order to attract and motivate talent to pursue the Company's long-term plans.

## **PART-B**

### **Appointment criteria and qualifications**

The criteria for the appointment of directors, KMPs and Senior Management employees are as follows:

The committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as director, KMP or Senior Management and recommend to the Board his / her appointment.

A person to be appointed as Director, KMP or at Senior Management should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.

A person, to be appointed as Director should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company's growth, and complementary skills in relation to the other Board members.

As per regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Appointment of a person on the board of directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

As per Regulation 25(6) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 any vacancy of an Independent Director, as a result of resignation or removal from the board of directors to be filled within three months from the date of such vacancy.

The Company shall not appoint or continue the employment of any person who has attained the age of 70 years as Managing Director / Executive or Whole time Director. Provided that the term of the person holding this position may be extended beyond the age of 70 years with the approval of shareholders by passing a special resolution as per section 196 of Companies Act, 2013

As per regulation 17 (1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy-five years unless a special resolution is passed to that effect.

A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a non- executive director in any Company.

As per regulation 25 (2A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution.

As per regulation 6 (1A) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Any vacancy in the office of the Compliance Officer shall be filled by the listed entity at the earliest and in any case not later than three months from the date of such vacancy. Provided that the Company shall not fill such vacancy by appointing a person in interim capacity, unless such appointment is made in accordance with the laws applicable in case of a fresh appointment to such office and the obligations under such laws are made applicable to such person.

### **Criteria of Independence**

The NRC shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

The criteria of independence, as per provisions of section 149 of Companies Act, 2013 and regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

An independent director in relation to a company, means a director other than a Managing Director or a whole-time director or a nominee director:

- a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience:
- b) who is or was not a promoter of the company or its holding, subsidiary or associate company:
- c) who is not related to promoters or directors in the company, its holding, subsidiary or associate company:
- d) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year:
- e) none of whose relatives has or had pecuniary relationship or transaction with the company its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year:
- f) who, neither himself nor any of his relatives holds or has held the position of a Key Managerial Personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company

- g) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm holds together with his relatives two per cent or more of the total voting power of the company; or is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company
- h) shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, corporate social responsibility or other disciplines related to the Company's business.
- i) shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.
- j) who is not less than 21 years of age.

The Independent Directors shall abide by the "Code for Independent Directors" as specified in Schedule IV to the Companies Act, 2013

#### **Other directorships / committee memberships**

The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with their role as directors of the Company. The Committee shall take into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

As per regulation 17A and 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 165 of Companies Act, 2013 and rules thereto:

- a) A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies
- b) A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.
- c) A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships. For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders' Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

## **Term /Tenure**

### **Managing Director / Whole-time Director**

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.

### **Independent Director**

As per the provisions of section 149 of the Companies Act, 2013, An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of an Independent Director, it should be ensured that the number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director, and three listed companies as an Independent Director in case such person is serving as a whole-time (executive) Director of a listed company.

### **Removal**

Where any of the Director becomes disqualified to be a Director of the Company due to any of the reasons of disqualifications as mentioned in the Companies Act, 2013 and rules made thereunder or under any other applicable Acts, rules and regulations, the committee may recommend to the Board, with reasons recorded in writing the removal of such Director, KMP or Senior Management subject to the provisions and compliance of the said Act, rules and regulations under which such disqualification arises.

### **Retirement**

The Whole-time Directors, KMP and Senior Management personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Whole-time Directors, KMP and Senior Management personnel in the same position or otherwise, even after attaining the retirement age, for the benefit of the Company subject to such approvals as may be required under the provisions of the Companies Act, 2013.

## **PART -C**

### **Remuneration of Directors, KMPs and Senior Management**

Remuneration to Managing Director; Whole-time Directors:

The remuneration / compensation / commission to Directors will be determined by the committee and recommended to the Board for approval.

The remuneration and commission to be paid to the Managing Director and the Whole-time Directors shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder. Increments to the existing remuneration / compensation structure may be recommended by the committee to the Board which should be within the limits approved by the shareholders.

Where any insurance is taken by the Company on behalf of its Managing Director and / or of its Whole-time Directors for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that, if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### **Minimum remuneration to Managing Director and Whole-time Directors**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay minimum remuneration to its Managing Director and the Whole-time Directors in accordance with the provisions of Schedule V of the Companies Act, 2013, including any statutory modifications or amendments thereof.

### **Remuneration to Non-executive / Independent Directors**

The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made thereunder. Such remuneration to Non-executive / Independent Directors may be paid within the monetary limits approved by shareholders, subject to the limits not exceeding 1% of the profits of the Company computed as per section 197 of Companies Act, 2013.

### **Remuneration of other KMPs and Senior Management**

At the time of appointment, the Remuneration Committee shall fix the remuneration and reward structure for other KMPs (i.e., CFO & CS) and Senior Management based on their qualifications and expertise and forward its recommendations to the Board for its approval. The annual increments to these employees to be decided and awarded by the Managing Director based on their performance and Caliber to retain the talent in a competitive environment.



## **Remuneration to other employees**

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.

## **Eligibility of Employee Stock Option Scheme**

A Stock Option Grant made pursuant to the Plan may be Granted only to an individual who, at the time of Grant is a permanent employee of the Company working in India or out of India Is a Director of the Company. An employee of a subsidiary, in India or outside India, or a holding company of company. The Committee however is authorized to change the eligibility criteria from time to time, subject to approval of the Board. Each Grant shall be evidenced by a written instrument duly executed by or on behalf of the Company.

Following individuals are not eligible as per regulation 2(i) of definition of Employee under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2012:

- An Employee who is a Promoter or belongs to the Promoter Group;
- A Director who either by himself or through his relative(s) or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity Shares of the Company;
- An Independent Director

The Nomination & Remuneration Committee will determine the specific employees or class of employees who will be eligible for award of stock options based on the performance criteria and such other criteria as may be decided.

## **Policy review**

This policy is framed in the best interest of the Company based on the provisions of the Section 178 of Companies Act, 2013 and rules made thereunder and requirements of Regulation 19 and Schedule II, Part D of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, the provisions of the Act or regulations so amended would prevail over the policy, and the provisions in the policy would be modified in due course to make it consistent with the law.

This policy shall be reviewed by the nomination and remuneration committee as and when changes need to be incorporated in the policy due to changes in regulations or as may be felt appropriate by the committee. Any change or modification in the policy as recommended by the committee requires approval of the Board.

## **BOARD DIVERSITY POLICY**

Pursuant to Part D(A)(3) of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

### **1. PURPOSE**

The Board Diversity Policy (‘the Policy’) sets out the approach to diversity in the Board of VimtaLabs Limited (the Company’).

Building a Board of diverse and inclusive culture is integral to the success of VIMTA Labs Ltd. Age, gender and professional diversity are areas of strategic focus to the composition of our Board. The Board considers that its diversity, including gender diversity, is a vital asset to the business.

The Company believes that a diverse Board will contribute to the achievements of its vision and strategic objectives, including to:

- Drive business results;
- Make corporate governance more effective;
- Enhance quality and responsible decision making capability;
- Ensure sustainable development; and
- Enhance the reputation of the Company.

Company has approved and adopted this Policy as formulated in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘the Listing Regulations’) and provisions of the Companies Act, 2013 (‘the Act’), at its meeting held on 12<sup>th</sup> May 2022, being the effective date of the Policy.

### **2. SCOPE**

The Policy applies specifically to the Board and excludes diversity in relation to employees of the Company.

### **3. POLICY STATEMENT**

Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in achieving a sustainable development and a competitive advantage.

A truly diverse Board will include and make good use of differences in the skills, industry experience and expertise, background, gender and other distinctions among Directors. These differences shall be considered in determining the optimum composition of the Board and when possible, shall be balanced appropriately on need basis.

The Nominations and Remuneration Committee (‘the Committee’) reviews and assesses Board’s composition on behalf of the Board and recommends the appointment of Directors as follows:

- In reviewing Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, to enable the Board to discharge its duties and responsibilities effectively.
- In identifying suitable candidates for appointment to the Board, the Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

#### **4. MEASURABLE OBJECTIVES**

The Board shall have an optimum combination of Executive, Non-Executive and Independent directors in accordance with requirements of the Articles of Association of the Company, the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the statutory, regulatory and contractual obligations of the Company.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, educational background, professional experience, skills and knowledge. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

#### **5. MONITORING AND REPORTING**

Nomination and Remuneration Committee shall monitor and report compliance to this policy to the Board and ensure compliance with Section 178 of the Companies Act, 2013 read along with applicable rules thereto and Clause 49 under Listing Agreement effective from 1st October, 2014. This committee is (among other things) responsible for:

- Formally assessing the appropriate mix of diversity, skills, experience and expertise required on the Board and assessing the extent to which the required skills are represented on the Board;
- Making recommendations to the Board in relation to Board succession, including the succession of the Chairman, to maintain an appropriate mix of Diversity, skills, experience and expertise on the Board;
- To recommend to the Board the appointment and removal of Senior Management;
- To recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration and incentive and
- Reviewing and reporting to the Board in relation to Board Diversity.

As part of the annual performance evaluation of the effectiveness of the Board, Board Committees and individual Directors, the balance of skills, experience, independence, knowledge and how the Board works together as a unit, and other factors relevant to its effectiveness would be considered.

The Nomination and Remuneration Committee will report to the Board on any initiatives undertaken and progress made by the Committee in relation to Board Diversity and to achieve the measurable objectives.

The Nomination and Remuneration Committee will report annually, in the Corporate Governance Report, on the Board's composition under diversified perspectives, and monitor the implementation of the Policy.

The effective implementation of this policy requires that shareholders are able to judge for themselves whether the Board as constituted is adequately diverse. To this end, Company shall continue to provide sufficient information to shareholders about the size, qualifications and characteristics of each Board Member.

## **6. REVIEW OF THE POLICY**

The Committee will review the Policy as may be deemed necessary, discuss any revisions that may be required and recommend the same to the Board for approval.

## **7. DISCLOSURE OF THE POLICY**

The Policy will be published on the Company's website for public information. The Policy together with the composition of the Board and the size, qualifications and characteristics of each Board Member will be disclosed in the Corporate Governance Report annually.

## **8. POLICY GOVERNANCE**

Approved by: The Board

Responsibility for document management: Managing Director & Company Secretary.