Directors- Terms & Conditions of Appointment:

The Independent Directors have given a declaration in terms of the Companies Act 2013. They have followed the conditions specified in the Listing Agreement and were appointed on such terms and conditions as stated above. Also, they have given affirmations through declarations in the first meeting.

Policy on Dealing with Related parties:

All related party transactions are carried out with prior approval of the Audit committee. The audit committee grants omnibus approval for related party transactions; The audit committee reviews, quarterly, the details of related party transactions entered into by the Company as per the omnibus approvals given. Those Related parties with whom the company has material transactions have obtained approvals from the shareholders of the Company.

Criteria for making payment to NED:

Non-executive Directors{NED} are entitled to sitting fees for attending meetings of the Board or its Committees at rates which are within the limits prescribed under The Companies Act, 2013. As the Company has a Managing Director, they are also entitled to commission on net profits, as determined by the Board from time to time, not exceeding 5% of the net profits of the Company for that year. It will be decided by the Board every year.

Policy on Determining Material Subsidiaries:

VTM Limited does not have any Subsidiary companies.

Details of Familiarization programme for Independent directors:

The company has familiarized the Independent directors through various programme and the Independent directors are conversant with the nature of the industry in which the company operates, and the business model of the company, and they are aware of their roles responsibilities. Also Independent information relating to company's business are provided with relevant information relating to the Company's business.

Remuneration Policy

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consists of four Directors of which two are Independent Directors and one Non-Executive Director and Chairperson (Executive) as the Members of the Committee and as such complies with the obligations of the Companies Act, 2013 and the corporate governance requirements of the Listing Agreement with stock exchanges. The Chairperson of this Committee is an Independent Director. The Chairperson of the Board of Directors is a member of this Committee but will not Chair this Committee.

The Committee operates under formal terms of reference which were approved by the Board on April 29, 2014. These terms of reference have been prepared in a manner to generally maintain overall continuity with the nomination and remuneration policies of the company while complying with the Companies Act, 2013, and the Listing Agreements with stock exchanges.

Role and Responsibilities

The Committee’s foremost priorities are to ensure that the Company has the best possible leadership and maintains a clear plan for both Executive and Non-Executive Director succession. The Committee also reviews Senior Management succession. Its prime focus is therefore on the strength of the Board and the Senior Management team and ensuring that appointments are made on merit, against objective criteria, selecting the best candidate for the post. The Committee advises the Board on the appointments, retirements, and resignations from the Board and its Committees. It also advises the Board on similar changes to the Senior Management of the Company.

The Committee and its members are empowered to obtain outside legal or other independent professional advice, at the cost of the Company, in relation to its deliberations and to secure the attendance at its meetings of any employee or other parties it considers necessary.

Criteria for appointments and independence of Directors

When considering appointments to the Board and its Committees, the Nomination and Remuneration Committee will draw up a specification for the role taking into consideration the balance of skills, knowledge, and experience of its existing members, the diversity of the Board, and the Company's ongoing requirements. The Company believes that diversity underpins the successful operation of an effective Board and embraces diversity as a means of enhancing the business.

The recruitment process then focuses on appointing candidates who meet the criteria, and who have the relevant professional knowledge, professional qualifications, and experience. Successful candidates are likely to have demonstrable leadership qualities and interpersonal communication skills, act with integrity, and have international business exposure.

Care is taken to ensure that all proposed appointees have sufficient time available to devote to the role, are compliant with the rules, policies, and values of our Company, and do not have any conflicts of interest.

On appointments or promotions, the Committee will typically use the Remuneration Policy of the Company to determine ongoing remuneration. However, the Committee retains the discretion to make appropriate remuneration decisions outside the Standard Policy to meet specific circumstances.

Remuneration Policy

The overarching philosophy for remuneration within the company is to attract, retain, and motivate individuals of the caliber necessary to successfully implement the Company's business strategy. In particular, this means ensuring that incentive plans are appropriate to encourage enhanced performance and avoid rewarding underperformance. In viewing and setting the Company's remuneration policy, the Committee seeks to balance the interests of its employees and those of its stakeholders, to support Company strategy, where a meaningful portion of remuneration is performance-linked.

Remuneration Policy for Managing Director:

An appropriate level of remuneration may be set to ensure that the Company can appoint a Managing Director with the necessary skill and experience by offering him market-competitive remuneration reflecting his individual experience, role, and contribution. The appointment may be for a tenure of such years from the date of his appointment not exceeding the period in terms of Section 196 and as prescribed under Schedule V to the Companies Act, 2013. The individual's performance will be reviewed annually by the Nomination and Remuneration Committee and recommended to the Board enabling it to decide the remuneration payable to the Managing Director.

The total remuneration package may be designed to provide an annual remuneration payable by way of commission and other perquisites as decided by the Board of Directors however, not exceeding 5% of the net profits of the company computed in accordance with the provisions of Section 198 of the Companies Act, 2013 and as determined by the Board of Directors of the Company for each financial year within the maximum permissible limit. Further, in the event of his being Managing Director in any other company, such remuneration shall not exceed the higher maximum limit admissible from any one of these companies, in terms of Schedule V to the Companies Act, 2013.

The Managing Director is not entitled to sitting fees for attending meetings of the Board or the Committees where he will be the Chairman/Member. He is entitled to have the Chairman's Office at his convenience at the Company's expense.

Remuneration Policy for Non-Executive Directors

Non-Executive Directors are entitled to sitting fees for attending meetings of the Board or its Committees at rates that are within the limits prescribed under the Companies Act, 2013. They are also entitled to commission on net profits, as determined by the Board from time to time, not exceeding 1% of the net profits of the Company for that year. The level of remuneration is set to attract and retain Non-Executive Directors of the necessary skill and experience by offering them market-competitive remuneration.

Non-executive directors do not participate in Board discussions that relate to their remuneration. They receive reimbursement of reasonable expenses incurred in attending the Board, Committee, and other ad hoc meetings.

None of the Non-Executive Directors is entitled to receive compensation for loss of office at any time or participate in any retirement plans.

Non-Executive Independent Directors are appointed in compliance with the provisions of the Companies Act, 2013, and must adhere to the Code for Independent Directors laid down under Schedule IV to the Companies Act, 2013, and retain their independence during the entire tenure of appointment as an Independent Director. The terms of service of Non-Executive Independent Directors are contained in letters of appointment issued to them after their appointment at a general meeting of the Company. The current policy for Non-Executive Independent Directors of the Company is to serve for a maximum period of two terms of five years each, with review at the end of the first five-year term, subject always to mutual agreement and annual performance evaluation.

Remuneration is paid subject to deduction of Income Tax at source and payment of applicable GST.

Remuneration to Senior Management Personnel

Senior Management Personnel include one level below the Managing Director. Accordingly, the Personnel such as Chief Financial Officer, Company Secretary, Vice President / General Manager / Deputy General Manager but not including Administrative Staff. An appropriate level of remuneration is set to ensure that the Company can recruit and retain Senior Management with the necessary skills, professional qualifications, experience, and compliance with the rules and policies of the Company. Market competitive remuneration is offered to individuals reflecting their experience, and contribution within the Company. The individual's performance is reviewed from time to time with changes in remuneration normally. In considering any increase in base salary, the Committee will mainly consider the role, changes in job scope, responsibility, and complexity. The total remuneration package is designed to provide an appropriate balance between fixed and variable components with a focus on long-term variable pay so that strong performance is incentivized but without encouraging excessive risk-taking.

Remuneration arrangements of Senior Management Personnel consist of the same elements as those of other employees i.e. Basic Salary, HRA, and other allowances, retirement benefits (i.e. Provident Fund and Gratuity as per the Company's Schemes applicable to all employees), and perquisites as per Rules of the Company applicable to all employees according to their seniority including insurance, car and fuel perquisites.

As applicable to all employees, Senior Management Personnel are entitled to avail themselves of 30 days of leave in a year and un-availed leave can be accumulated as per the Company's rules up to a maximum of 30 days.