Virgo Polymers (India) Ltd.
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CRITERIA FOR PAYMENT TO NON-EXECUTIVE DIRECTORS
Virgo Polymers India Limited

1. Background

Pursuant to Regulation 34(3) read with Schedule V and Regulation 46(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), every listed company is required to disclose the criteria for making payments to its Non-Executive Directors in its Annual Report and host the same on its website.

Further, Section 197 and other applicable provisions of the Companies Act, 2013 govern the payment of remuneration to Non-Executive Directors and Independent Directors.

Accordingly, this Policy sets out the criteria for payment to the Non-Executive Directors of Virgo Polymers India Limited ("the Company").

2. Objective

The objective of this Policy is to ensure that remuneration payable to Non-Executive Directors is fair, reasonable and sufficient to attract, retain and motivate Directors of high calibre and integrity while ensuring compliance with applicable laws and corporate governance standards.

3. Guiding Principles

The overall remuneration payable to Non-Executive Directors shall:

- be reflective of the size of the Company, complexity of operations and the Company's financial position
- be reflective of the size of the Company, complexity of operations and the Company's financial position;
- be aligned with industry standards and recognised corporate governance practices;
- be commensurate with the responsibilities undertaken, expertise, experience and time devoted by the Directors; and
- support long-term value creation for shareholders and sustainable growth of the Company.

4. Components of Remuneration

4.1 Sitting Fees
Non-Executive Directors and Independent Directors may be paid sitting fees for attending meetings of the Board of Directors and Board Committee.

The amount of sitting fees shall be within the limits prescribed under the Companies Act, 2013 and Rules made thereunder, as prescribed from time to time.

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The quantum of sitting fees may be reviewed periodically by the Board based on the recommendation of the Nomination and Remuneration Committee ("NRC").

4.2 Commission
Subject to the provisions of Section 197 and other applicable provisions of the Companies Act, 2013, the Company may pay commission to its Non-Executive Directors.

Where the Company has a Managing Director or Whole-time Director or Manager, the aggregate commission payable to all Non-Executive Directors shall not exceed one percent (1%) of the net profits of the Company in any Financial Year.

In cases where the Company does not have a Managing Director or Whole-time Director or Manager, the aggregate commission payable shall not exceed three percent (3%) of the net profits of the Company.

Payment of commission shall be subject to approval of the Board and shareholders of the Company, wherever required under applicable laws.

5. Criteria for Determination of Remuneration

Within the overall limits prescribed under applicable laws, the NRC shall recommend the quantum of remuneration payable to Non-Executive Directors and the same shall be approved by the Board of Directors.

While determining remuneration, the following factors shall be considered:

- attendance and participation in Board and Committee meetings;
- contribution towards strategic guidance, governance and decision-making;
- time devoted towards the affairs of the Company;
- performance of the Company and shareholder value creation;
- industry benchmarks and prevailing market practices; and
- expertise, experience and responsibilities undertaken by the Director.

The overall remuneration payable to Non-Executive Directors shall be reasonable and sufficient to attract, retain and motivate qualified Directors aligned with the long-term interests of the Company.

6. Professional Fees

The Company may pay professional fees to any Non-Executive Director for services rendered in a professional capacity, subject to compliance with applicable provisions of the Companies Act, 2013, and other applicable laws.

Such payment may be made only if:

- the services rendered are of a professional nature; and

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- in the opinion of the NRC, the concerned Director possesses the requisite qualification and expertise for rendering such services.

Necessary approvals of the Audit Committee, Board of Directors and shareholders, wherever applicable, shall be obtained.

7. Reimbursement of Expenses

Non-Executive Directors shall be entitled to reimbursement of actual expenses incurred for attending Board Meetings, Committee Meetings, General Meetings, site visits, meetings with management, shareholders or regulators and training or familiarisation programmes organised by the Company.

8. Stock Options

Subject to applicable laws, Non-Executive Directors may be granted stock options if approved by the shareholders of the Company.

However, Independent Directors shall not be entitled to stock options in accordance with the Companies Act, 2013 and SEBI Listing Regulations.

9. Refund of Excess Remuneration

If any Director receives remuneration in excess of the limits prescribed under the Companies Act, 2013 or without obtaining necessary approvals, such Director shall refund the excess remuneration to the Company within the period prescribed under applicable law and shall hold the same in trust for the company until refunded.

The Company shall not waive recovery of such excess remuneration unless permitted under applicable law and approved by the shareholders through Special Resolution.

10. Review and Amendment

The Board of Directors may amend, modify or revise this Policy from time to time based on the recommendation of the NRC and subject to applicable provisions of the Companies Act, 2013, SEBI Listing Regulations and other applicable laws.

For **VIRGO POLYMERS (INDIA) LTD**

Managing Director