

**NOMINATION AND REMUNERATION POLICY
OF NEOTIA HEALTHCARE INITIATIVE LIMITED**

1. PREAMBLE:

- 1.1 This Nomination and Remuneration Policy is designed to attract, motivate, improve productivity and retain manpower, by creating a congenial work environment, encouraging initiatives, personal growth and team work, and inculcating a sense of belonging and involvement, besides offering appropriate remuneration packages and superannuation benefits.
- 1.2 This Nominations and Remuneration Policy applies to directors, senior management including its Key Managerial Personnel and other employees of the Company.

2. OBJECTIVE:

- 2.1 The Nomination and Remuneration Committee ("**the Committee**") and this Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto The Key Objectives of the Committee would be:
- 2.1.1 to identify persons who are qualified to become Directors / senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- 2.1.2 to carry out evaluation of every Director's performance;
- 2.1.3 to formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- 2.1.4 to recommend to the Board a policy, relating to remuneration for the Directors, Key Managerial Personnel and other employees.

3. DEFINITIONS:

- 3.1 "**Act**" means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.
- 3.2 "**Board**" means Board of Directors of the Company.
- 3.3 "**Directors**" mean Directors of the Company.
- 3.4 "**Employee**" means all the employees and officers of the Company.
- 3.5 "**Key Managerial Personnel**" means
- 3.5.1 Chief Executive Officer or the Managing Director or the Manager;
- 3.5.2 Whole-time director;
- 3.5.3 Chief Financial Officer;
- 3.5.4 Company Secretary; and

3.6 “**Senior Management**” means personnel of the Company who are members of core management team excluding the Board of Directors and shall include all personnel above the level of Vice-President, all functional heads and the Key Managerial Personnel of the Company.

4. **FUNCTIONING OF THE NOMINATION AND REMUNERATION COMMITTEE:**

4.1 **Membership:**

- 4.1.1 The Committee shall consist of a minimum 3 non-executive directors, with independent directors forming majority.
- 4.1.2 Minimum two (2) members shall constitute a quorum for the Committee meeting.
- 4.1.3 Term of the Committee shall be continued unless terminated by the Board of Directors.

4.2 **Chairman:**

- 4.2.1 Chairman of the Committee shall be an Independent Director.
- 4.2.2 Chairman of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- 4.2.3 In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- 4.2.4 Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders’ queries.

4.3 **Frequency of meeting:**

- 4.3.1 The meeting of the Committee shall be held at such regular intervals as may be required.

4.4 **Committee Members’ Interest:**

- 4.4.1 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.
- 4.4.2 The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

4.5 **Secretary:**

The Company Secretary of the Company shall act as Secretary of the Committee.

4.6 **Voting:**

- 4.6.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

- 4.6.2 In the case of equality of votes, the Chairman of the meeting will have a casting vote.

5. **POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTORS, KMP AND SENIOR MANAGEMENT:**

5.1 **Appointment criteria and qualifications:**

- 5.1.1 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- 5.1.2 A person 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 is sufficient / satisfactory for the concerned position.
- 5.1.3 The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of Fifty Eight years. Provided that the term of the person holding this position may be extended beyond the age of Fifty Eight years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment.

5.2 **Term / Tenure:**

5.2.1 **Managing Director/Whole-time Director:**

- 5.2.1.1 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 term.

5.2.2 **Independent Director:**

- 5.2.2.1 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 re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- 5.2.2.2 No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after 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.

5.2.3 **Removal:**

5.2.3.1 Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director and the KMP subject to the provisions and compliance of the Act rules and regulations.

5.2.3.2 The removal of a Senior Management Personnel shall be in terms of the policy, rules and regulations of the Company.

5.2.4 **Retirement:**

5.2.4.1 The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

6. **POLICY FOR REMUNERATION:**

6.1 **REMUNERATION OF THE NON-EXECUTIVE AND THE INDEPENDENT DIRECTORS:**

6.1.1 The non-executive directors and the independent directors shall be paid remuneration in the form of sitting fees for attending Board and Committee meetings as fixed by the Board of Directors from time to time subject to statutory provisions.

6.1.2 Besides the sitting fees, they are also entitled to re-imbursement of expenses on actual.

6.1.3 The non-executive directors and the independent directors of the Company may be paid commission as per the applicable provisions of the Companies Act, 2013.

6.1.4 The sitting fees of the non-executive directors and the independent directors for attending the meetings of the Board / Committees may be modified from time to time as per the applicable provisions of the Companies Act, 2013.

6.1.5 The commissions payable to the non-executive directors and the independent directors, if any, may be modified from time to time as per the applicable provisions of the Companies Act, 2013.

6.2 REMUNERATION OF THE MANAGING DIRECTOR / WHOLE TIME DIRECTOR:

6.2.1 Remuneration of the Managing Director / Whole Time Director shall reflect the overall remuneration philosophy and guiding principle of the Company.

6.2.2 The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

6.2.3 The Committee while considering a remuneration package ensures a balance between fixed and performance linked variable pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

6.2.4 The term of office and remuneration of Managing Director / Whole Time Director are subject to the approval of the Board of Directors, shareholders and the limits laid down under the Companies Act, 2013 from time to time.

6.2.5 Remuneration packages for Managing Director / Whole Time Director are designed subject to the limits laid down under the Companies Act, 2013 to remunerate them fairly and responsibly. The Managing Director / Whole Time Director remuneration comprises of salary, perquisites and performance based commission / reward apart from retirement benefits like provident fund, superannuation, gratuity, etc as per Rules of the Company. Managing Director / Whole Time Director are also entitled to benefits such as health care benefits, leave travel, communication facilities, etc.

6.2.6 Total remuneration comprises of:

1. **A fixed base salary** - set at a level aimed at attracting and retaining executives with professional and personal competence, showing good performance towards achieving Company goals.
2. **Perquisites** – in the form of house rent allowance, reimbursement of medical expenses, conveyance, telephone, leave travel, etc.

3. **Retirement benefits** - contribution to provident fund, gratuity, etc as per Company Rules.
4. **Performance incentive** - A performance appraisal shall be carried out annually and incentives shall be based on the appraisal process.

6.3 REMUNERATION OF THE KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

- 6.3.1 Appointment of KMP and senior management and cessation of their service are subject to the approval of the Committee and the Board of Directors.
- 6.3.2 Remuneration of KMP and other senior management personnel shall broadly be based on the Remuneration Policy in respect of Whole Time Directors.
- 6.3.3 A performance appraisal shall be carried out annually and promotions / increments / incentives shall be based on the appraisal process.

6.4 REMUNERATION OF THE OTHER EMPLOYEES:

- 6.4.1 The remuneration of other employees shall be fixed from time to time as per the guiding principles outlined above and considering industry standards and cost of living.
- 6.4.2 In addition to basic salary they are also provided perquisites and retirement benefits as per schemes of the Company and statutory requirements, where applicable.
- 6.4.3 A performance appraisal shall be carried out annually and promotions / increments / incentives shall be based on the appraisal process.

7. EVALUATION:

- 7.1 The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel on an annual basis. The following is a list of indicative factors that may be considered as part of the evaluation process:
 - 7.1.1 leadership and stewardship abilities;
 - 7.1.2 effective deployment of knowledge and expertise;
 - 7.1.3 effective management of relationships with stakeholders;
 - 7.1.4 integrity and maintenance of confidentiality;
 - 7.1.5 independence of behavior and judgment;
 - 7.1.6 contributing to furtherance of the objectives and goals of the Company;

- 7.1.7 communications of expectations and concerns clearly with the subordinates.
- 7.1.8 Adherence to Statutes
- 7.1.9 Contribution towards Sustainable growth of the company

- 7.2 Evaluation of each of the directors and non-executive directors shall be undertaken by the independent directors in a separate meeting, on the aforesaid parameters.

- 7.3 The executive director and the non-executive directors along with the independent directors will evaluate and assess each of the independent directors on the aforesaid parameters. Only the independent director being evaluated shall not participate in the said evaluation process.

- 8. **DISCLOSURE OF INFORMATION:**
 - 8.1 Information on the total remuneration of members of the Company's Board of Directors, Whole Time Directors and KMP/ senior management personnel may be disclosed in the Company's annual financial statements as per statutory requirements.

- 9. **APPLICATION OF THE REMUNERATION POLICY:**
 - 9.1 This Remuneration Policy shall continue to guide all future employment of Directors, Company's Senior Management including Key Managerial Personnel and other employees.

 - 9.2 Any departure from the policy can be undertaken only with the approval of the Board of Directors.