



## **NOMINATION AND REMUNERATION POLICY**

{In compliance with provisions of Section 178 of the Companies Act, 2013, read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015}

|                       |                                       |
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## 1. Preamble

This Nomination and Remuneration Policy (hereinafter referred to as the “**Policy**”) has been formulated and adopted by the Board of Directors of Cian Healthcare Limited (hereinafter referred to as the “**Company**”), a company listed on the SME Exchange of BSE Limited (**BSE SME**), engaged in the business of healthcare and pharmaceutical products.

The Company believes that an effective nomination and remuneration framework is critical to attracting, retaining and motivating directors, key managerial personnel and senior management of the requisite calibre, competence and integrity, and to aligning their interests with the long-term sustainable growth of the Company and the interests of its stakeholders.

This Policy has been formulated pursuant to the following statutory and regulatory requirements:

- Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, which mandates the constitution of a Nomination and Remuneration Committee and formulation of a policy relating to the remuneration of directors, key managerial personnel and other employees, as well as the criteria for determining the qualifications, positive attributes and independence of a director;
- Section 197 of the Companies Act, 2013, read with Schedule V thereto and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, which govern the overall managerial remuneration payable by the Company;
- Section 149 of the Companies Act, 2013, read with Schedule IV thereto (Code for Independent Directors), which lays down the criteria for independence and the role of independent directors;
- Section 134(3)(e) of the Companies Act, 2013, which requires the Board’s Report to contain the Company’s policy on directors’ appointment and remuneration, including criteria for determining qualifications, positive attributes, independence and other matters provided in Section 178(3) of the Companies Act, 2013;
- Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**” or “**LODR**”) read with Part D of Schedule II thereto, which specifies the role and responsibilities of the Nomination and Remuneration Committee. In terms of Regulation 15(2) of the SEBI Listing Regulations, the corporate governance provisions contained in Regulations 17 to 27 are not mandatorily applicable to entities listed on the SME Exchange; however, the Company may voluntarily adopt these provisions, to the extent practicable, as a matter of good corporate governance;
- Regulation 46(2)(b) of the SEBI Listing Regulations, which requires disclosure of the terms and conditions of appointment of independent directors and related policies on the Company’s website; and
- All other applicable laws, regulations, circulars and guidelines issued by SEBI, the Ministry of Corporate Affairs and other regulatory authorities, as amended from time to time.

This Policy shall be read in conjunction with the Company's Code of Conduct for Board of Directors and Senior Management Personnel, the Articles of Association of the Company and all other applicable internal policies. References to Regulations 17, 17A, 19 and 46 of the SEBI Listing Regulations shall be read subject to the exemptions available to SME listed entities under Regulation 15, and to the extent voluntarily adopted by the Company as a matter of good governance and as may be considered appropriate by the Board of Directors from time to time.

## **2. Objectives**

The primary objectives of this Policy are to:

- Formulate the criteria for determining the qualifications, positive attributes, competencies, skills, experience and independence required for the appointment of a Director (Executive, Non-Executive or Independent), and the standards required of persons appointed to the position of Key Managerial Personnel and Senior Management;
- Formulate a policy relating to the remuneration of the Directors, Key Managerial Personnel, Senior Management and other employees of the Company, which is reasonable and sufficient to attract, retain and motivate personnel of the calibre required to run the Company successfully;
- Ensure that the relationship between remuneration and performance is clear and meets appropriate performance benchmarks;
- Ensure a balance between fixed and incentive pay reflecting short-term and long-term performance objectives appropriate to the working of the Company and its goals;
- Support the Board in ensuring that appointments and remuneration decisions are transparent, merit-based and aligned with the long-term interests of the Company and its stakeholders.
- Provide for succession planning of the Board, Key Managerial Personnel and Senior Management;
- Devise a policy on Board diversity; and
- Ensure compliance with the applicable provisions of the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws, regulations and guidelines, as amended from time to time.

## **3. Scope and Applicability**

This Policy shall apply to:

- The Board of Directors of the Company, including Executive Directors, Non-Executive Directors and Independent Directors;
- Key Managerial Personnel of the Company, as defined under Section 2(51) of the Companies Act, 2013, including but not limited to the Managing Director or Chief Executive Officer, the Whole-Time Director(s), the Chief Financial Officer and the Company Secretary;
- Senior Management Personnel as defined under Regulation 16(1)(d) of the SEBI Listing Regulations, read with explanation attached to Section 178(8) of the Companies Act, 2013; and

- Such other employees or class of employees of the Company as may be specifically identified by the Nomination and Remuneration Committee/Board for the purposes of remuneration, incentive, succession planning or evaluation framework.

This Policy shall be effective from the date of approval by the Board of Directors, and shall remain in force until modified or superseded by a subsequent policy.

#### 4. Definitions

Unless the context otherwise requires, the following terms, wherever used in this Policy, shall have the meanings respectively assigned to them below. Words and expressions used and not defined herein but defined in the Companies Act, 2013, the SEBI Listing Regulations, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, and the rules and regulations made thereunder, shall have the meanings respectively assigned to them in those enactments.

**“Act”** shall mean the Companies Act, 2013, and the rules framed thereunder, including any modifications, amendments, clarifications, circulars or re-enactments thereof.

**“Board”** or **“Board of Directors”** shall mean the Board of Directors of Cian Healthcare Limited, as duly constituted from time to time.

**“Committee”** or **“NRC”** shall mean the Nomination and Remuneration Committee of the Board of Directors of the Company, as constituted or reconstituted from time to time in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations.

**“Company”** shall mean Cian Healthcare Limited, a company listed on the SME Exchange of BSE Limited.

**“Director”** shall mean a director of the Company appointed to the Board from time to time, and shall include Executive Directors, Non-Executive Directors and Independent Directors.

**“Executive Director”** shall mean a director of the Company who is in the whole-time employment of the Company, and shall include a Managing Director and a Whole-Time Director.

**“Independent Director”** shall mean a Non-Executive Director of the Company who satisfies the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013, read with Schedule IV thereto, and Regulation 16(1)(b) of the SEBI Listing Regulations, as amended from time to time.

**“Key Managerial Personnel”** or **“KMP”** means key managerial personnel as defined under Section 2(51) of the Act.

**“Managing Director”** shall mean a Managing Director of the Company as defined under Section 2(54) of the Companies Act, 2013, read with the explanation attached to it.

**“Non-Executive Director”** shall mean a director of the Company who is not in the whole-time employment of the Company, and shall include Independent Directors.

**“Policy”** shall mean this Nomination and Remuneration Policy, as amended from time to time.

**“Remuneration”** shall mean any money or its equivalent given or passed to any person for services rendered by him/her, and shall include perquisites as defined under the Income-tax Act, 1961.

“SEBI” shall mean the Securities and Exchange Board of India.

**“SEBI Listing Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modifications, amendments, circulars, notifications, guidelines or clarifications issued thereunder, as amended from time to time

**“Senior Management”** or **“Senior Management Personnel”** or **“SMP”** as defined under Regulation 16(1)(d) of the SEBI Listing Regulations, read with explanation attached to Section 178(8) of the Act.

**“Whole-Time Director”** shall have the meaning assigned to it under Section 2(94) of the Act and shall include a Director in the whole-time employment of the Company.

## **5. Constitution of the Nomination and Remuneration Committee**

### **5.1 Composition**

The Board of Directors shall constitute the Nomination and Remuneration Committee in accordance with Section 178(1) of the Act and Regulation 19(1) of the SEBI Listing Regulations, comprising such members as follows:

- The Committee shall consist of at least three (3) Directors;
- All Directors of the Committee shall be Non-Executive Directors; and
- At least one-half of the Directors of the Committee shall be Independent Directors.

Notwithstanding anything contained herein, the Chairman of the Company (whether Executive or Non-Executive) may be appointed as a member of the Committee but shall not chair the Committee.

### **5.2 Chairman**

The Chairman of the Committee shall be an Independent Director. In the absence of the Chairman, the remaining members of the Committee present at the meeting may elect one of them (being an Independent Director) to act as the Chairman of the meeting.

The Chairman of the Committee shall be present at the Annual General Meeting of the Company to answer the shareholders’ queries. However, it shall be up to the Chairperson to decide who shall answer the queries.

### **5.3 Secretary**

The Company Secretary of the Company shall act as the Secretary to the Committee. The Secretary shall be responsible for issuing notices, preparing agendas, recording minutes of the meetings in accordance with the Secretarial Standard on Meetings of Board of Directors (SS-1) and performing such other duties as may be entrusted by the Chairman of the Committee.

### **5.4 Term**

The term of the Committee shall continue unless terminated or reconstituted by the Board of Directors. The Board may, from time to time, reconstitute the Committee, including any change in the membership or the Chairman, in compliance with applicable law.

## **6. Role and Responsibilities of the Committee**

The role of the Committee shall, inter alia, include the following, in accordance with Section 178 of the Act and Part D of Schedule II of the SEBI Listing Regulations:

- i. identifying persons who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down;
- ii. identifying and recommending to the Board and shareholders, suitable candidates to fill Board vacancies as and when they arise, and ensuring succession planning;
- iii. recommending to the Board the appointment and removal of persons specified in clause (i);
- iv. specifying the manner for effective evaluation of the performance of individual directors and reviewing its implementation and compliance;
- v. carrying out the performance evaluation of the individual directors;
- vi. formulating the criteria for determining qualifications, positive attributes and independence of a director;
- vii. ensuring fit and proper status of the proposed and existing directors;
- viii. recommending to the Board a remuneration policy for the directors, key managerial personnel and other employees;
- ix. performing such other functions as may be assigned by the Board from time to time; and
- x. dealing with any other matter incidental thereto, which the Committee deems fit and which shall not be reserved to be approved by the Board under the Act or any other Applicable Law.

## **7. Meetings, Quorum and Procedure**

### **7.1 Frequency**

The Committee shall meet at least once in a financial year, or more frequently as the Chairman of the Committee may consider necessary for discharging its functions and responsibilities under applicable law and this Policy.

Members of the Committee may participate in any meeting of the Committee through video conferencing or other audio-visual means, in accordance with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Secretarial Standard on Meetings of Board of Directors (SS-1), subject to such restrictions as may be prescribed under applicable law from time to time.

### **7.2 Quorum**

The quorum for a meeting of the Committee shall be either two (2) members or one-third (1/3rd) of the members of the Committee, whichever is greater, and shall include at least one (1) Independent Director in attendance.

Where any member of the Committee is interested in, or has a conflict of interest in relation to, any item placed before the Committee, such member shall disclose his/her interest and shall not participate in the discussion or vote on such item. Such an interested member shall not be counted for the purpose of quorum in respect of the concerned item, wherever required under applicable law.

### **7.3 Notice and Agenda**

The Secretary of the Committee shall, in consultation with the Chairman, issue notice of the meeting along with the agenda to all members of the Committee sufficiently in advance of the meeting, in accordance with the provisions of Secretarial Standard on Meetings of Board of Directors (SS-1).

### **7.4 Invitees**

The Committee may invite such Directors, executives of the Company or external advisors as it considers appropriate to attend any meeting of the Committee and to provide such information or advice as the Committee may require. Such invitees shall have no right to vote at the meeting.

### **7.5 Voting**

Decisions of the Committee shall be taken by a majority of votes of the members present and voting at the meeting. In case of equality of votes, the Chairman of the meeting shall have a second or casting vote.

### **7.6 Minutes**

Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary of the Committee, and shall be placed before the next meeting of the Committee and Board of Directors for noting. The minutes shall be duly signed by the Chairman of the meeting, or the Chairman of the next meeting, as the case may be, in accordance with the Secretarial Standard on Meetings of the Board of Directors (SS-1) issued by the Institute of Company Secretaries of India and other applicable secretarial standards.

### **7.7 Delegation**

The Committee may delegate any of its powers or functions to any of its members or to the Chief Executive Officer, Managing Director, Chief Financial Officer, Company Secretary or any other designated officer, subject to applicable law and such terms as the Committee may deem fit., if permitted by law.

### **7.8 Authority of the Committee**

The Committee shall have the authority to call for such information, records, documents and explanations from any Director, officer or employee of the Company, or from any external party, as it may consider necessary for the discharge of its functions under this Policy and applicable law. The Committee shall also have the authority, at the expense of the Company, to engage external legal, financial, human resources, remuneration or other professional advisors, consultants or agencies, and to obtain their advice, where the Committee considers such advice necessary or expedient for the effective discharge of its responsibilities.

### **7.9 Conflict of Interest**

If any member of the Committee has, or is reasonably perceived to have, a direct or indirect personal interest, or a conflict of interest, in any matter placed before the Committee, such member shall disclose the nature of

such interest at or before the meeting, shall not participate in the deliberations on, and shall abstain from voting on, the said matter. The fact of such disclosure and abstention shall be duly recorded in the minutes of the meeting. Nothing in this clause shall prejudice the applicability of Section 184 of the Act and the other applicable provisions of law relating to disclosure of interest by Directors.

## **8. Appointment and Removal of Director, KMP and Senior Management**

### **8.1 General**

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person being considered for appointment as Director, Key Managerial Personnel or Senior Management, and recommend to the Board his/her appointment. The Committee has the discretion to decide whether qualification, expertise and experience possessed by a person are sufficient and/or satisfactory for the concerned position.

A person, before appointment, shall be required to satisfy the conditions as prescribed under the Act, the SEBI Listing Regulations and the Company's internal policies, and shall submit such declarations and disclosures as may be required under applicable law.

### **8.2 Appointment of Director**

The Committee shall recommend the appointment of a Director (including an Independent Director) to the Board, after satisfying itself, *inter-alia*, with regard to:

- The candidate's qualifications, professional experience, expertise and track record;
- The candidate's ability to dedicate sufficient time to the affairs of the Company;
- Compliance with the criteria of independence prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, in the case of an Independent Director;
- The candidate is not being disqualified for appointment as a Director under Section 164 of the Act;
- The Candidate is not debarred from holding the office of Director by virtue of an order passed by SEBI or any other authority, as per BSE Circular No. LIST/COMP/14/2018-19.
- The maximum number of directorships and committee memberships permissible under Sections 165 of the Act and Regulation 17A of the SEBI Listing Regulations (to the extent applicable); and
- Such other factors as the Committee may consider relevant.

### **8.3 Appointment of KMP and Senior Management**

The Committee shall recommend to the Board the appointment of Key Managerial Personnel and Senior Management, after satisfying itself with respect to their qualifications, integrity, expertise and experience, and ensuring that such appointment is in accordance with the applicable provisions of the Act, the SEBI Listing Regulations and the Company's internal policies.

## **8.4 Removal**

Where any Director, Key Managerial Personnel or Senior Management Personnel incurs any disqualification under applicable law, breaches the Code of Conduct of Board of Directors and Senior Management or where removal is otherwise considered necessary in the interest of the Company, the Committee may recommend to the Board, with reasons recorded in writing, the removal of a Director, Key Managerial Personnel or Senior Management subject to and in compliance with the provisions of the Act, the SEBI Listing Regulations and other applicable laws.

## **8.5 Retirement**

The Directors, Key Managerial Personnel and Senior Management shall retire as per the applicable provisions of the Act, the SEBI Listing Regulations and the prevailing policy of the Company. The Board may, on the recommendation of the Committee, retain or re-appoint any Director, KMP or Senior Management Personnel after attaining the applicable retirement age, if considered in the interest of the Company and subject to applicable law.

## **9. Criteria for Determining Qualifications, Positive Attributes and Independence**

### **9.1 Qualifications and Experience**

A person to be appointed as a Director, Key Managerial Personnel or Senior Management shall possess the following minimum qualifications and attributes:

- Appropriate educational qualifications, professional expertise and experience relevant to the Company's business, in particular the healthcare and pharmaceutical sector, or such other functional expertise as may be relevant to the position (such as finance, accounting, legal, regulatory, technology, human resources, strategy or general management);
- A proven track record of leadership, integrity and sound professional judgment;
- Knowledge of the applicable regulatory and compliance framework relevant to the position, including (where applicable) the Drugs and Cosmetics Act, 1940, the Act, the SEBI Listing Regulations and the SEBI (Prohibition of Insider Trading) Regulations, 2015;
- Willingness and ability to devote sufficient time and attention to the affairs of the Company; and
- Such other skills, experience or attributes as may be considered relevant by the Committee in the context of the appointment.

### **9.2 Positive Attributes**

In addition to the qualifications set out above, a person proposed to be appointed as a Director, Key Managerial Personnel or Senior Management shall possess the following positive attributes:

- Impeccable reputation and integrity;
- High standards of ethics and personal conduct;
- Ability to provide constructive and independent views, exercise objective judgment and constructively challenge management when required;

- Commercial acumen and understanding of the Company's business environment;
- Leadership qualities, including the ability to inspire and motivate others;
- Commitment to the highest standards of corporate governance, transparency and accountability; and
- Ability to maintain confidentiality in respect of the affairs of the Company.

### 9.3 Independence Criteria for Independent Directors

A person shall be eligible for appointment as an Independent Director only if he/she satisfies the criteria of independence as prescribed under Section 149(6) of the Act read with Schedule IV thereto, and Regulation 16(1)(b) of the SEBI Listing Regulations, as amended from time to time. Without prejudice to the generality of the foregoing, such person shall, inter alia:

- Be a person of integrity and possess relevant expertise and experience, in the opinion of the Board;
- Not be a promoter of the Company or its holding, subsidiary or associate company, nor be related to promoters or directors of such companies;
- Have or had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten per cent of his total income or such amount as may be prescribed, 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;
- Satisfy the criteria regarding relatives' pecuniary relationships as prescribed under the Act and the SEBI Listing Regulations;
- Neither the person nor any of his/her relatives, have held key managerial position or have been employee of the Company or its holding, subsidiary or associate company, or any company belonging to the promoter group, in any of the three financial years immediately preceding the financial year of proposed appointment, subject to the relaxations prescribed under applicable law;
- Possess such other qualifications as may be prescribed under applicable law; and
- Have registered his/her name in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs and have passed the online proficiency self-assessment test, wherever required, in accordance with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, unless exempted thereunder.

The criteria set out above are illustrative of, and not a substitute for, the full criteria of independence prescribed under Section 149(6) of the Act, Schedule IV thereto, and Regulation 16(1)(b) of the SEBI Listing Regulations. Nothing in this clause shall be construed as limiting, narrowing, or exhaustively restating the statutory and regulatory requirements, and in the event of any inconsistency or omission, the provisions of the Act and the SEBI Listing Regulations shall prevail.

Every Independent Director shall, at the first meeting of the Board in which he/she participates as a director, and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his/her status as an Independent Director, give a declaration that he/she

meets the criteria of independence as provided under applicable law along with the disclosure of interest in other entities, in the form and manner as prescribed under law.

## **10. Term / Tenure**

### **10.1 Managing Director / Whole-Time Director / Executive Director**

The Company shall appoint or re-appoint any person as its Managing Director, Whole-Time Director or Executive Director for a term not exceeding five (5) years at a time. No re-appointment shall be made earlier than one year before the expiry of the term.

### **10.2 Independent Director**

An Independent Director shall hold office for a term of up to five (5) consecutive years on the Board of the Company and shall be eligible for re-appointment on passing a special resolution by the shareholders of the Company and on the basis of the report of performance evaluation of the Independent Director.

No Independent Director shall hold office for more than two (2) consecutive terms of five years each, but such Independent Director shall be eligible for appointment after expiry of three (3) 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.

### **10.3 Maximum Number of Directorships**

No person shall be appointed or re-appointed as a Director of the Company in violation of the limits on the maximum number of directorships prescribed under Section 165 of the Act, and the limits on directorships and committee memberships prescribed under the SEBI Listing Regulations, to the extent applicable.

## **11. Remuneration of Directors, KMP and Senior Management**

### **11.1 General Principles**

The remuneration / compensation / commission or any other payment, by whatever name called to Directors, Key Managerial Personnel and Senior Management will be determined by the Committee and recommended to the Board for approval. Such remuneration shall be subject to the approval of the Board, shareholders and/or such other authority, wherever required under the Act or any other applicable law.

The Committee, while formulating its recommendation on remuneration, shall ensure that:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully;
- The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- The remuneration involves a balance between fixed and incentive pay reflecting short-term and long-term performance objectives appropriate to the working of the Company and its goals.

## 11.2 Remuneration to Managing Director / Whole-Time Director / Executive Director

The remuneration/compensation/commission or any other payment, by whatever name called including the components such as salary, perquisites, bonuses, commission, stock options and benefits, payable to the Managing Director / Whole-Time Director / Executive Director shall be determined by the Committee and recommended to the Board for approval, subject to the approval of the shareholders of the Company and in compliance with Sections 197 and 198 of the Act read with Schedule V thereto, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and all other applicable provisions.

The total managerial remuneration payable by the Company to its Directors (including the Managing Director and Whole-Time Director(s)) and its Manager, if any, in respect of any financial year, shall not exceed eleven per cent (11%) of the net profits of the Company for that financial year computed in the manner laid down in Section 198 of the Act, except that the Company may, in general meeting, by way of a special resolution and subject to such other approvals as may be required under applicable law, authorise the payment of remuneration in excess of the said limit, in accordance with the proviso to Section 197(1) of the Act.

The break-up of the pay scale and quantum of perquisites (including employer's contribution to provident fund, pension scheme, medical expenses, insurance and other benefits) shall be decided by the Committee and approved by the Board on the recommendation of the Committee, subject to the approval of the shareholders and the Central Government, wherever required.

## 11.3 Remuneration to Non-Executive / Independent Directors

The remuneration to Non-Executive Directors, including Independent Directors, shall comprise the following components:

- **Sitting Fees:** Non-Executive Directors and Independent Directors may receive sitting fees for attending meetings of the Board or committees thereof, as may be determined by the Board from time to time. The amount of sitting fees shall not exceed the limits prescribed under the Act and the rules made thereunder, being at present Rupees One Lakh per meeting of the Board or Committee, or such other amount as may be prescribed by the Central Government from time to time.
- **Commission and Perquisites:** Subject to the provisions of the Act, the Company may pay commission to its Non-Executive Directors, including Independent Directors, within the monetary limit approved by the shareholders and subject to such limit not exceeding the pecuniary limits as specified in Section 197 of the Act read with Schedule V.
- **Reimbursement of Expenses:** Non-Executive Directors and Independent Directors shall be entitled to reimbursement of all travelling, boarding, lodging and other expenses incurred for the purpose of attending meetings of the Board or Committees of the Board and for the business of the Company.

In accordance with Section 149(9) of the Act and Regulation 17(6)(d) of the SEBI Listing Regulations (to the extent applicable), an Independent Director shall not be entitled to any stock option of the Company.

#### **11.4 Remuneration to Key Managerial Personnel and Senior Management**

The remuneration of Key Managerial Personnel (other than the Managing Director / Whole-Time Director) and Senior Management shall be determined by the Committee and recommended to the Board for approval, having regard to:

- The qualifications, experience and responsibilities of the concerned individual;
- The Company's performance, size, complexity and financial position;
- Prevailing market compensation standards in comparable companies in the healthcare and pharmaceutical sector;
- Individual performance against pre-determined objectives; and
- The need to maintain internal equity and external competitiveness of compensation.

The remuneration structure may include a combination of fixed pay, variable pay / performance-linked incentives, perquisites, retirement benefits, insurance cover and such other benefits as may be determined by the Committee or the Board from time to time, in accordance with applicable law and the Company's internal policies.

#### **11.5 Employee Stock Options**

The Committee shall administer and supervise any employee stock option scheme, employee stock purchase scheme or other share-based compensation scheme introduced by the Company from time to time, in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the applicable provisions of the Act.

It is clarified that Independent Directors shall not be eligible for any stock options of the Company.

#### **11.6 Recovery of Excess or Wrongful Remuneration**

If any Director or Manager draws or receives, directly or indirectly, by way of remuneration, any sum in excess of the limits prescribed under Section 197 of the Act or without the approval required under applicable law, such person shall refund such sums to the Company and, until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of any sum refundable to it under this clause unless the same is approved by the shareholders of the Company by a special resolution, and subject to compliance with the applicable provisions of the Act.

Further, where the financial statements of the Company are required to be restated due to fraud or non-compliance with any requirement under the Act and the rules made thereunder, the Company shall recover, in accordance with Section 199 of the Act, from any past or present Managing Director, Whole-Time Director, Manager, Chief Executive Officer or Chief Financial Officer, who, during the period for which the financial statements are required to be restated, had received any remuneration (whether as salary, allowances, commission, incentive, stock options or otherwise) in excess of what would have been payable to him/her as per the restated financial statements, such excess remuneration.

The Board, acting on the recommendation of the Committee, may also make provisions for the clawback or forfeiture of remuneration (including any variable pay, bonus, incentive or stock options vested or granted) in

such other circumstances as it may consider appropriate, including in cases of established fraud, wilful misconduct or material breach of fiduciary duty by any Director, Key Managerial Personnel or Senior Management Personnel, subject to compliance with applicable law. The Company may incorporate appropriate clawback/malus provisions in appointment letters, employment contracts, incentive plans or stock option schemes, as may be applicable.

### **11.7 Remuneration in case of Inadequate Profits**

In the event of loss or inadequate profits in any financial year during the tenure of service of the Managing Director, Whole-Time Director or Manager, the Company shall pay remuneration by way of salary, dearness allowance, perquisites and any other allowances in accordance with the provisions of Section 197 read with Schedule V of the Act, and the rules made thereunder, as amended from time to time. Where the remuneration proposed to be paid exceeds the limits prescribed under Schedule V, such remuneration shall be payable subject to the approval of the shareholders of the Company by way of a special resolution and such other approvals as may be required under applicable law.

## **12. Succession Planning**

The Committee shall satisfy itself regarding the adequacy of succession planning for the Board of Directors, Key Managerial Personnel and Senior Management of the Company, and shall periodically review and recommend to the Board appropriate succession plans to ensure continuity in leadership and management of the Company. In doing so, the Committee shall have regard to the Company's long-term strategy, business needs and the development of internal talent, and may consider external candidates as appropriate.

## **13. Board Diversity**

The Committee shall devise, review and recommend to the Board a policy on diversity of the Board of Directors, in accordance with Regulation 19(4) read with Part D of Schedule II of the SEBI Listing Regulations, to the extent applicable, and in line with the Act. The Committee shall endeavour to ensure that the Board has an appropriate mix of skills, experience, knowledge, background, gender, age and other attributes, so as to enable the Board to discharge its functions and duties effectively.

The Company shall comply with the requirement of having at least one woman Director on its Board, as required under Section 149 of the Act and the rules made thereunder.

## **14. Disclosure**

The following disclosures with respect to this Policy shall be made:

- **Board's Report:** The salient features of this Policy and changes therein, if any, along with the web-address where the complete Policy is available, shall be disclosed in the Board's Report as part of the Annual Report of the Company, in accordance with Section 134(3)(e) and Section 178(4) of the Act.

- **Website Disclosure:** This Policy shall be uploaded on the Company's website and disclosed in the manner required under Regulation 46 of the SEBI Listing Regulations, to the extent applicable, read with the provisions of the Act and shall be updated upon any modification.
- **Annual Report Disclosures:** Such other disclosures relating to remuneration of Directors, Key Managerial Personnel and Senior Management as are required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and the SEBI Listing Regulations, shall be made in the Annual Report.

## 15. LIMITATION, REVIEW AND AMENDMENT

- In the event of any conflict between the provisions of this Policy and the provisions of the Act, the SEBI Listing Regulations, or any other applicable law, the provisions of the applicable law shall prevail over this Policy, and this Policy shall be deemed to stand amended to that extent.
- Any subsequent amendment, modification, circular or notification issued by the relevant authorities in respect of any provision of law or regulation referred to herein shall automatically apply to this Policy from the effective date as laid down under such amendment, modification, or circular, and this Policy shall stand amended accordingly.
- The Board of Directors shall, upon the recommendation of the Committee, review and assess the adequacy of this Policy at least once every year and make such amendments as may be deemed necessary, in order to ensure that it remains consistent with the Board's objectives, applicable laws and best practices from time to time.

## 16. MISCELLANEOUS:

In case of any ambiguity or doubt in the interpretation of this Policy, the decision of the Board of Directors of the Company shall be final and binding.