

# **QUALITY CARE INDIA LIMITED**

## **Nomination and Remuneration Policy**

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Adopted by the Board on 13<sup>th</sup> March 2015

Revised by the Board on 11<sup>th</sup> August 2016

**Introduction:**

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel /Management Team has been formulated by the Committee.

**Objectives of the Committee:**

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- ii. Formulation of criteria for evaluation of Directors
- iii. Devising a policy on Board diversity.
- iv. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management/Management Team positions in accordance with the criteria laid down in this policy and recommend to the board for their appointment

**Definitions:**

**"Act"** means the Companies Act 2013, including any statutory amendments thereof.

**"Board"**:-Board means Board of Directors of the Company.

**"Director"**:-Directors means a director appointed to the Board of the Company..

**"Committee"**:-Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.

**"Company"**:- Company means Quality Care India Limited.

**"Independent Director"**:- As provided in Section 149(6) of Companies Act, 2013, 'Independent director' shall mean a non-executive director, other than a nominee director of the company:

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;  
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate Company;
- c. 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;
- d. 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;
- e. who, neither himself nor any of his relatives —
  - i. 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;
  - ii. 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. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - B. 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;

- iii. holds together with his relatives two per cent or more of the total voting power of the company; or
- iv. is a Chief Executive or director, by whatever name called, of any non-profit 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;
- v. who possess such other qualifications as may be prescribed.

**“Key Managerial Personnel”:-** Key Managerial Personnel (KMP) means-as defined under section 203 of the Act

- i. the Chief Executive Officer or the Managing Director or the Manager or the Whole Time Director;
- ii. the Company Secretary;
- iii. the Chief Financial Officer

**“Senior Management Personnel/ Management Team”:-** The expression “senior management Personnel / Management Team ” means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management reporting to the CEO on regular basis.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

**Applicability:-**

The Policy is applicable to

- Directors (Executive and Non-Executive)
- Key Managerial Personnel as defined above

- Senior Management Personnel as specified in Annexure I

**Constitution of the Nomination and Remuneration Committee:**

The Board has the power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement. The Board has the authority to reconstitute the Committee from time to time.

**General Appointment Criteria:**

- i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, or any other applicable enactment for the time being in force.
- iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, or any other applicable enactment for the time being in force.

**Additional Criteria for Appointment of Independent Directors:**

The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head 'Definitions' and also their appointment shall be governed as per the provisions of Companies Act, 2013 and the rules made there under (as amended from time to time).

**Term / Tenure:**

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time.

**Removal:**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

**Policy on Board diversity:**

The Board of Directors shall have the optimum combination of Directors from the different areas / fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development , Human Resources etc or as may be considered appropriate.

**Remuneration:**

The Committee will finalise the remuneration to be paid to the Director's, KMP and Senior Management Personnel unless otherwise decided by the Board . The level and composition of remuneration so determined by the Committee shall be 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 should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

**1. Director/ Managing Director**

Besides the above Criteria, the Remuneration/ compensation/ commission etc to be paid to Director/ Managing Director etc shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

## **2. Non-executive Independent Directors**

The Non- Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

## **3. KMPs / Senior Management Personnel/Management Team etc**

The Remuneration to be paid to KMPs/ Senior Management Personnel/Management Team shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

## **4. Directors' and Officers' Insurance**

Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. 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.

Any subsequent amendments in the applicable law in this regard shall automatically be apply to this policy

This policy shall be reviewed by the Nomination and Remuneration committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the committee..

## **Annexure 1**

1. Chief Operating Officer
2. Chief Human Resources Officer
3. Vice President – Commercial
4. Chief Information Officer
5. Chief Medical Officer
6. Other Chief Executives who directly reports to the Chief Executive Officer
7. Such other officer as may be decided by the Board from to time.