



HEALTHCARE GLOBAL ENTERPRISES LIMITED

Nomination and Remuneration Policy for the Board of Directors, Key Managerial Personnel and Senior Management Personnel



PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 and the Rules framed thereunder (as amended from time to time) (the “**Act**”) and Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) (the “**SEBI Listing Regulations**”), the Board of Directors of every listed company is required to constitute the Nomination and Remuneration Committee.

I. OBJECTIVE

In order to comply with the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations and any other applicable provisions, the Nomination and Remuneration Committee of the Board of Directors of the Company (the “**Committee**”) has formulated this policy (the “**Policy**”).

The key objectives of the Policy are as follows:

- (a) To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive / Non-Executive) and recommend to the Board of Directors of the Company (the “**Board**”), policies relating to the remuneration (**payable in whatever form**) of the Directors, Key Managerial Personnel and other employees.
- (b) To formulate criteria for evaluation of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- (c) To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- (d) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- (e) To devise a Policy on Board Diversity.
- (f) To develop a succession plan for the Board and to regularly review the plan.
- (g) To determine whether to extend or continue the term of appointment of the Independent Director(s), on the basis of the report of performance evaluation of Independent Directors.

II. DEFINITIONS

- (a) “**Act**” means the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time.
- (b) “**Board**” means the Board of Directors of the Company.



- (c) **“Company”** means HealthCare Global Enterprises Limited.
- (d) **“Directors”** shall mean Directors of the Company.
- (e) **“Key Managerial Personnel”** or **“KMP”** means:

in relation to a Company as defined sub-section 51 of Section 2 of the Companies Act, 2013, means and includes:
 - (i) the Chief Executive Officer or the Managing Director or the manager;
 - (ii) the Company Secretary;
 - (iii) the Whole-Time Director;
 - (iv) the Chief Financial Officer;
 - (v) such other officer as may be prescribed
- (f) **“Senior Management”** shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.
- (g) **“Independent Director”** means a director referred to in Section 149(6) of the Act.

III. APPOINTMENT AND REMOVAL OF DIRECTORS, KMPs AND SENIOR MANAGEMENT

- (a) **Appointment criteria and qualifications:**
 - (i). The Committee shall identify and ascertain the integrity, qualification, positive attributes, expertise and experience of the person for appointment as Director, KMP or Senior Management and recommend to the Board his / her appointment.
 - (ii). On the criteria of selection of Directors, Schedule 1 lists out the key skills/ expertise/competence that has been identified, so that the Board of Directors comprises of a diverse and multidisciplinary group of professionals with requisite skills/expertise/competence who can contribute towards providing strategic direction to the Company’s management to continue to pursue its vision of providing quality and affordable healthcare whilst upholding the highest standards of Corporate Governance.
 - (iii). A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has the discretion to decide whether qualifications, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
 - (iv). In case of appointment of Independent Directors, the Company must observe the pecuniary relationship of such Director and their relatives with the promoters and group companies including the criteria of independence and other conditions as prescribed by the Act



(v). The Company shall not appoint or continue the employment of any person as the Managing Director, Whole-time director or Manager within the meaning of the Act, who has attained the age of 70 (seventy) years. Provided that the appointment of such a person who has attained the age of 70 (seventy) years shall be made with the approval of the Shareholders by passing a special resolution, based on the explanatory statement annexed to the notice for the Meeting of the Shareholders for such motion indicating the justification for appointment or extension of appointment beyond the age of 70 (seventy) years.

(b) **Term / Tenure:**

(i). *Managing Director/Whole-time Director:* The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding 5 (five) years at a time. No re-appointment shall be made earlier than 1 (one) year before the expiry of term.

(c) **Independent Director:**

- (i). An Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board 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.
- (ii). No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of 3 (three) years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of 3 (three) years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- (iii). At the time of appointment of Independent Director(s) it should be ensured that number of Boards on which such Independent Director serves is restricted to 7 (seven) listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act or the SEBI Listing Regulations.

(d) **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular intervals (yearly). Relationship of remuneration to performance should be clear and meet appropriate performance benchmarks as laid out by the Company.

With regard to the evaluation of Directors, the Committee shall frame a Policy on Evaluation of Directors and Board.

(e) **Removal:**



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

(f) **Retirement:**

The Directors, KMP and Senior Management 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 in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

(g) **Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management:**

- (i). The level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management to run the Company successfully.
- (ii). The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the Shareholders of the Company and Central Government, wherever required.
- (iii). The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down as per the provisions of the Act.
- (iv). Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director or as laid down as per the provisions of the Act.

(h) **Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management:**

- (i). The Whole-time / Executive / Managing Director / KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including but not limited to, employer's contribution to Provident Fund, Superannuation Fund, Pension Scheme, medical expenses, club fees, leave travel allowance, etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the Shareholders and Central Government, wherever required.
- (ii). *Minimum Remuneration:* If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time / Executive / Managing Director in accordance with the provisions of Section 197 of the Act and Schedule V to the Act and if it is not able to comply with such provisions, with the previous approval of the Central



Government.

- (iii). Provisions for excess remuneration: If any Whole-time / Executive / Managing Director draws or receives, directly or indirectly, by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she 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 recovery of such sum refundable to it unless permitted by the Central Government.
- (i) **Remuneration to Non- Executive / Independent Director:**
- (i). **Remuneration / Commission:** The remuneration / commission shall be in accordance with the statutory provisions of the Act and the Rules made thereunder for the time being in force.
- (ii). **Sitting Fees:** The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of the Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Act, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
- (iii). **Limit of Remuneration/Commission:** Remuneration/ Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.
- (iv). **Stock Options:** An Independent Director shall not be entitled to any stock option of the Company.

IV. DUTIES OF THE COMMITTEE WITH RESPECT TO NOMINATION AND REMUNERATION

- (a) **Duties with respect to Nomination:**
- (i). The duties of the Committee in relation to nomination matters include:
- (a) Ensuring that there is an appropriate induction in place for new Directors and members of Senior Management and reviewing its effectiveness;
- (b) Ensuring that on appointment to the Board, Independent Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- (c) Identifying and recommending Directors who are to be put forward for retirement by rotation.
- (d) Determining the appropriate size, diversity and composition of the Board;
- (e) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- (f) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- (g) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- (h) Making recommendations to the Board concerning any matters relating to the continuation in



office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.

- (i) Delegating any of its powers to one or more of its members or the Secretary of the Committee;
- (j) Recommend any necessary changes to the Board; and
- (k) Considering any other matters, as may be requested by the Board.

(b) **Duties with respect to Remuneration:**

- (i). The duties of the Committee in relation to remuneration matters include:
 - (a) to consider and determine the remuneration policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board.
 - (b) to recommend and approve the remuneration of the Senior Management including key managerial personnel of the Company maintaining a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company.
 - (c) to delegate any of its powers to one or more of its members or the Secretary of the Committee.
 - (d) to consider any other matters as may be requested by the Board.

V. Amendment:

Any change in the Policy shall be approved by the Board of Directors or any of its Committees (as may be authorized by the Board of Directors in this regard). The Board of Directors or any of its authorized Committees shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board or its Committee in this respect shall be final and binding. Any subsequent amendment / modification in the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.



Schedule 1: Criteria of selection of Directors

Key Competencies	Brief Description
Corporate Governance	Experience in developing and implementing good corporate governance practices, maintaining board and management accountability, managing stakeholders' interests and Company's responsibilities, towards customers, employees, suppliers, regulatory bodies and the communities in which it operates.
Business/Management Leadership Experience	Strong management and leadership experience including in areas of business development, strategic planning and mergers and acquisitions, scientific research and development, senior level government experience and academic background or can demonstrate knowledge or expertise in, sound management and operational business processes and practices in the private or public sector including an understanding of topics such as managing complex projects, leveraging information technology, planning and measuring performance, and allocating resources to achieve outcomes
Personal values	Personal characteristics matching the Company's values, such as integrity, accountability, and high performance standards.
Information Technology	Knowledge and experience in the strategic use and governance of information management and information technology with ability to apply technology to the healthcare/hospital sector, emerging areas of technology such as digital, artificial intelligence, cloud and cyber security, intellectual property in information technology domain, and knowledge of technology trends.
Functional and managerial Experience	Knowledge and skills in accounting and finance, business judgment, general management practices and processes, crisis response and management, industry knowledge, macro-economic perspectives, human resources, labour laws, international markets, sales and marketing, and risk management.
Industry/Sector Knowledge	Experience with or is able to demonstrate knowledge or expertise of Healthcare industry including an understanding of particular trends, challenges and opportunities, or unique dynamics within the sector that are relevant to the Company.
Diversity	Diversity of thought, experience, knowledge, perspective, gender and culture. Varied mix of strategic perspectives, and geographical focus with knowledge and understanding of key geographies.