

NOMINATION AND REMUNERATION POLICY

1. Purpose of this Policy:

KIMS Health Care Management Limited ('the Company') conducts its operations under the overall direction of the Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013; the Articles of Association and policies formulated by the Company.

The Company has adopted Nomination & Remuneration Policy on appointment, remuneration and performance evaluation of the Directors, Key Managerial Personnel ('KMP') and Senior Management ('the Policy') as required by the provisions of Section 178 of the Companies Act, 2013 ('the Act'). Section 178 of the Companies Act, 2013 provides that a Policy has to be formulated and recommended to the Board, setting the criteria, based on which the performance of every director including the performance of the Board as a whole and its Committees shall be carried out either by the Board, by the Nomination & Remuneration Committee or by an independent external agency.

The provisions of this Policy are designed to govern the disclosure requirements to ensure transparency in the conduct of business activities in the best interest of the Company and its shareholders and to comply with the statutory provisions in this regard.

The purpose of this Policy is to establish and govern the procedure:

- a. To ensure the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully
- b. To ensure the relationship of remuneration to performance is clear and meets appropriate performance benchmarks
- c. To ensure remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals
- d. To evaluate the performance of the directors, Board as a whole and its Committees

2. Constitution and Composition of Nomination and Remuneration Committee:

The Board of the Company constituted a Nomination and Remuneration Committee ('NRC') consisting of three or more non-executive directors out of which at least half are Independent Directors including Chairman of the Section 178 of the Companies Act, 2013.

3. Appointment and removal of Director, KMP and Senior Management:

3.1. Appointment criteria and qualification:

The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as director in terms of Policy on Board diversity and recommend to the Board his/ her appointment.

For the appointment of KMP (other than Managing/ Whole-time Director) or Senior Management, a person should possess adequate qualification, expertise and experience for the position he/ she is considered for the appointment. Further, for administrative convenience, the appointment of KMP (other than Managing/ Whole-time Director) or Senior Management, the NRC is authorised to identify and appoint a suitable person for such position. However, if the need be, the Directors may consult NRC / Board for further directions/ guidance.

All the Directors and other employees shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business.

3.2. Term:

The term of the director including Managing/ Whole-time Director/ Independent Director shall be governed as per the provisions of the Act and Rules made, as amended from time to time.

Whereas the term of the KMP (other than the Managing/ Whole-time Director) and Senior Management shall be governed by the prevailing HR policies of the Company.

3.3. Evaluation:

NRC shall identify evaluation criteria to evaluate Directors. The appointment/ reappointment/ continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

3.4. Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder and/ or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, NRC may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP or Senior Management.

4. Remuneration of Managing/ Whole-time Director, KMP and Senior Management:

The remuneration/ compensation/ commission, etc., as the case may be, to the Managing/ Whole-time Director will be determined by NRC and recommended to the Board for approval. However, the same shall be subject to the approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made thereunder.

The NRC of the Company is authorised to decide the remuneration of KMP (other than managing/ Whole-time Director) and Senior Management based on the standard market practice and prevailing HR policies of the Company.

5. Remuneration to Non-executive / Independent Director:

The remuneration/ commission/ sitting fees, as the case may be, to the Non-Executive/ Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by NRC/ Board/ shareholders.

6. Performance Evaluation

This policy aims at establishing a procedure for the Board to conduct periodic evaluation of its own performance and of its committees and individual directors. Hence it is important that every individual Board Member effectively contributes in the Board deliberations.

The overall effectiveness of the Board shall be measured on the basis of the ratings obtained by each Director and accordingly the Board shall decide the Appointments, Re-appointments and Removal of the non-performing Directors of the Company.

6.1. Responsibility

6.1.1. Independent Directors

- a. To review the performance of non-independent directors and the Board as a whole.
- b. To review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors.
- c. To assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

6.1.2. Board of Directors

The performance evaluation of Committees of Board and Independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

6.1.3. Nomination and Remuneration Committee (NRC)

NRC shall determine whether to extend or continue the term of appointment of the independent directors on the basis of the report of performance evaluation. The evaluation process will be used constructively as a system to improve the directors' and committees' effectiveness, to maximize their strength and to tackle their shortcomings.

6.2. Evaluation Factors

The following parameters has to be considered for the purpose of evaluating the performance of a particular director: In respect of each of the evaluation parameters, various descriptors have been provided to assist with the evaluation process in respect of performance of Board itself, and of its committees and individual directors, as such evaluation factors may vary in accordance with their respective functions and duties.

The evaluation scale is a simple three point scale i.e. Below Expectations (1), Meets Expectations (2) and Surpasses Expectations (3).

Appraisal shall be based on the criteria as mentioned herein below.

Rating Scale

Scale	Performance
3	Surpasses Expectations
2	Meets Expectations
1	Below Expectations

Independent Directors

S. No	Assessment Criteria
1	Attendance and participations in the Meetings and timely inputs on the minutes of the meetings
2	Adherence to ethical standards & code of conduct of Company and disclosure of non – independence, as and when it exists and disclosure of interest
3	Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings
4	Interpersonal relations with other directors and management
5	Objective evaluation of Board's performance, rendering independent, unbiased opinion
6	Understanding of the Company and the external environment in which it operates and contribution to strategic direction.
7	Safeguarding interest of whistle-blowers under vigil mechanism and Safeguard of confidential information
8	The general reputation of the independent director being evaluated

Based on the above criteria each of the Independent Directors has to be assessed by the entire Board of Directors, excluding the director being evaluated by giving a rating of Surpasses Expectations (3) or Meets Expectations (2) or Below Expectations (1).

The total of the ratings so awarded will be averaged over the number of persons who have awarded the rating. Assistance in conducting the process of evaluation shall be provided by a person as authorized by the Board and for this purpose, such person shall report to Board.

Non – Independent Directors / CMD / WTD

Sr. No	Assessment Criteria
1	Attendance, participations in the Meetings and timely inputs on the minutes of the meetings
2	Contribution towards growth of the Company including actual vis-a-vis budgeted performance.
3	Leadership initiative, like new ideas and planning towards growth of the Company and steps initiated towards Branding of the Company
4	Adherence to ethical standards & code of conduct of Company
5	Team work attributes and supervising & training of staff members
6	Compliance with policies, Reporting of frauds, violation etc. and disclosure of interest
7	Safeguarding of interest of whistle blowers under vigil mechanism and Safeguard of confidential information

Based on the above criteria each of the Non – Independent Directors / WTD has to be assessed by giving a rating of Surpasses Expectations (3) or Meets Expectations (2) or Below Expectations (1). The total number of ratings awarded will be averaged over the number of persons who have awarded the rating.

This process of evaluation shall be done by the Nomination & Remuneration Committee and the Independent Directors in their respective meetings. Assistance in handling the process will be provided by a person so authorized by the Board, and for this purpose, the person will report to the Board.

Board of Directors

Sr. No	Assessment Criteria
1	Is the composition of the board appropriate with the right mix of knowledge and skills required to drive organizational performance in the light of future strategy?
2	Members of the board meet all applicable independence requirements.
3	The Board of Directors is effective in establishing a corporate environment that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations.
4	The Board of Directors is effective in developing a corporate governance structure that allows and encourages the Board to fulfill its responsibilities.
5	The Company's systems of control are effective for identifying material risks and reporting material violations of policies and law and The Board is provided with sufficient information about material risks and problems that affects the Company's business and prospects.
6	The Board receives regular financial updates and takes all necessary steps to ensure the operations of the organization are sound and reviews the organization's performance in carrying out the stated mission on a regular basis.

7	Are sufficient numbers of board meetings, of appropriate length, being held to enable proper consideration of issues?
8	The information provided to directors prior to Board meetings meets expectations in terms of length and level of detail and Board members come prepared to meetings and ask appropriate questions of management and address issues that might present a conflict of interest.
9	Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues.
10	The Chairman of the Board effectively and appropriately leads and facilitates the Board meetings and the policy and governance work of the Board.
11	Nomination and appointment of Board members and their Remuneration follow clearly established procedures using known criteria as laid down by the Nomination and Remuneration Committee.
12	The Board oversees the role of the independent auditor from selection to termination and has an effective process to evaluate the independent auditor's qualifications and performance (through its Audit Committee).
13	Company has a system for Stakeholder Relationships and for prohibition of insider trading
14	Company has necessary Committees which are required and these Committees are working effectively

Based on the above criteria Board has to be assessed by giving a rating of Surpasses Expectations (3) or Meets Expectations (2) or Below Expectations (1). The total number of the ratings awarded will be averaged over the number of persons who have awarded the ratings.

The process of evaluation shall be done by the Nomination & Remuneration Committee and the Independent Directors in their respective meetings. Assistance in the process will be provided by a person so authorized by the Board, and for this purpose the person will report to the Board.

COMMITTEE (New proposed Amendment)

The performance of the Audit Committee, Nomination & Remuneration Committee and Corporate Social Responsibility Committee shall be carried out based on the following Assessment Criteria:

S. No.	Assessment Criteria
1	The terms of reference for the committee are appropriate with clear defined roles and responsibilities and is in compliance with the applicable provisions of Companies Act, 2013
2	The reporting by each of the Committees to the Board is sufficient
3	Adequate independence of the Committee is ensured from the Board
4	Committee gives effective suggestion and recommendation
5	Committee meetings are conducted in a manner that encourages open communication and meaningful participation of its members
6	Committee meetings have been organized properly and appropriate Procedure were followed in this regard
7	The frequency of the Committee meetings is adequate

Based on the above criteria the Committees shall be assessed by giving a rating of Surpasses Expectations (3) or Meets Expectations (2) or Below Expectations (1). The total number of the ratings awarded will be averaged over the number of persons who have awarded the ratings.

The process of evaluation shall be done by the Nomination & Remuneration Committee and the Independent Directors in their respective meetings. Assistance in the process will be provided by a person so authorized by the Board, and for this purpose the person will report to the Board.

7. Amendments

Subject to the approval of Board of Directors, the “Nomination and Remuneration Committee” reserves its right to review and amend this Policy, if required, to ascertain its appropriateness as per the requirement of the Company. The Policy may be amended by passing a resolution at a meeting of the Nomination and Remuneration Committee of the Company.

8. Disclosure

In accordance with the requirement under the Companies Act, 2013, Rules made thereunder, disclosures will be made in the Board Report regarding the manner in which the performance evaluation has been done by the Board of Directors of its own performance, performance of various Committees of Directors and individual Directors. The Company shall disclose the evaluation criteria in its Annual Report.

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