



KASHYAP TELE-MEDICINES LIMITED

NOMINATION & REMUNERATION & SUCCESSION POLICY **As amended w.e.f 1st April, 2024**

INTRODUCTION:

In terms of the provisions of the Companies Act, 2013 ("The Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time framed Nomination, Remuneration & Succession Policy ("the Policy") on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

OBJECTIVE AND PURPOSE OF THE POLICY:

The objective and purpose of this policy are:

- To lay down criteria for identification of persons who are qualified to become Directors, Key Managerial Personnel and Senior Management Personnel;
- To lay down criteria for determining qualifications, positive attributes and independence of a director;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage for the Company;
- To determine criteria for remuneration of Directors, Key Managerial Personnel, Senior Management Personnel & other employees.
- To formulate criteria for evaluation of the performance of the Board, Committees and individual Directors and recommend to the board, all remuneration, in whatever form, payable to senior management.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 30th May, 2014 and further in order to effect the amendments as notified from time to time, the Board of Directors approved and adopted the revised 'Nomination, Remuneration & Succession Policy' (hereinafter referred to as "the Policy") in its meeting held on 17th May, 2024.

EFFECTIVE DATE:

This policy shall be effective from 1st April, 2024.

DEFINITIONS:

"The Company" means Kashyap Tele-Medicines Limited.

"Act" means Companies Act, 2013 and includes notifications, circulars & clarifications as issued/amended by the Ministry of Corporate Affairs, from time to time.

"Board" means Board of Directors of the Company.

"Directors" means director appointed to the Board of the Company.

"Key Managerial Personnel (KMP)" in relation to a company means:

- a) the Chief Executive Officer or the Managing Director or the Manager;
- b) the Company Secretary;
- c) the Whole-time Director;
- d) the Chief Financial Officer;
- e) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board and
- f) any other person appointed by the Board of Directors as Key Managerial Personnel.

"Listing Regulations" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 includes Standard Operating Procedures (SOPs), notifications, circulars & clarifications as issued/amended by the Securities and Exchange Board of India, from time to time.

“Nomination and Remuneration Committee” or ‘the Committee’ or ‘the NRC’ means the Nomination and Remuneration Committee constituted by the Board of Directors of the Company in accordance with Section 178 of the Act read with Regulation 19 of the Listing Regulations.

“Senior Management” shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

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

CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE:

The Board has changed the nomenclature of Remuneration Committee by renaming it as Nomination and Remuneration Committee on 30th May, 2014.

The Nomination and Remuneration Committee shall comprise of at least three directors, all of whom shall be non-executive directors and at least two-thirds of Directors shall be independent. Chairman of the committee shall be an independent director.

Provided that the chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee.

The Board has the power to reconstitute the Committee consistent with the Company’s policy and applicable statutory requirement.

APPLICABILITY

The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

GENERAL

- This Policy is divided in three parts:
Part – A covers the matters to be dealt with and recommended by the Committee to the Board,
Part – B covers the appointment and removal of Directors, KMP and Senior Management; and
Part – C covers remuneration and perquisites etc. for Directors, KMP and Senior Management.
- The key features of this Company’s policy shall be included in the Board’s Report.

PART – A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE (“NRC”)

The following matters shall be dealt with by the Committee:

- (a) Size and composition of the Board:**

Periodically reviewing the size and composition of the Board to have an appropriate mix of executive non-executive and independent Directors to maintain its independence and separate its functions of governance and management and to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills, in the best interests of the Company;

The Committee shall also assist the Board in ensuring the Board nomination process is in line with the diversity policy of the Board relating to differences in thought, perspective, regional and industry experience, cultural and geographical background, age, ethnicity, race, gender, knowledge & skills.

(b) Directors:

Formulate the criteria determining qualifications, positive attributes of a Director and recommend candidates to the Board when circumstances warrant the appointment of a new Director, having regard to qualifications, integrity, expertise and experience for the position.

(c) Succession plans:

Establishing and reviewing Board, KMP and Senior Management succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.

Further, as per Regulation 4(2)(f)(ii)(3) of the Listing Regulations, one of the key functions of the Board is to select, compensate, monitor and, when necessary, replace key managerial personnel and oversee succession planning.

The Company recognises the importance of Succession Planning for the continuous smooth functioning and effective performance of the organisation. Strategic and proactive succession planning is a critical component for the successful transition of the Company's key executives.

The Committee will review periodically the status of the Board to anticipate any upcoming vacancy in the Board considering retirement & resignation of Board members and Human Resource Department ('HRD') will periodically review the status of Senior Management to anticipate any upcoming vacancy and shall identify and recommend to the Committee candidature of persons who are qualified for such position.

The HRD and the NRC shall administer, monitor and review the process of skill development and/or identify the training requirements for Senior Management Personnel and Directors respectively.

(d) Evaluation of performance:

- i. Make recommendations to the Board on appropriate performance criteria for the Directors.
- ii. Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company or engage with a third-party facilitator in doing so.
- iii. Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

The NRC of the Company laid down the manner of formal annual evaluation of the performance of the Board as a whole, its Committees and Individual Directors including Independent Directors. The Committee has devised templates for performance evaluation of Directors including Independent Directors, Chairperson, the Board of Directors and Board Committees. Further, the Committee is empowered to modify the manner of performance evaluation including templates to align with the amendments made in the Act, Listing Regulations or in conformity with the guidance note issued by the Securities Exchange Board of India or any other authorities.

(e) Remuneration framework and policies:

The Committee is responsible for reviewing and making recommendations to the Board on:

The following criteria shall be considered while determining the remuneration of Directors, KMP, Senior Management Personnel & other employees:

- i. 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;
- ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. remuneration to Directors, Key Managerial Personnel 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.

The overall limit of remuneration of the Directors is governed by the applicable provisions of the Act, Listing Regulations, agreements, resolutions, and other laws applicable to the Company.

The Board may determine different remuneration for different Directors on the basis of their duties, respective roles, responsibilities, industry related expertise & experience, time commitment etc.

PART - B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP AND SENIOR MANAGEMENT

- **Appointment criteria and qualifications:**

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.
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.
3. For every appointment of an independent director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended for such role shall meet the description.

The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of 70 years. Provided that the term of the person holding this position may be extended beyond the age of seventy 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 beyond 70 years.

- **Term / Tenure:**

1. **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 five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. **Independent Director:**
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.

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. However, if a person who has already served as an Independent Director for five years or more in the Company as on 1st October, 2014 or such other date as may be determined by the Committee as per regulatory requirement, he / she shall be eligible for appointment for one more term of five years only.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to 7 listed companies as an Independent Director and 3 listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed-company.

• **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

Section 178(2), Para VII & Para VIII of Schedule IV, Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014 and Regulation 4(2)(f)(ii), Regulation 17(10), Regulation 19 read with Part D of Schedule II, Regulation 25(4), Part C of Schedule V of the Listing Regulations, provides for manner of performance evaluation of the Board as a whole, its committees, Chairperson, individual directors including independent directors and related disclosures.

• **Removal:**

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

• **Retirement:**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 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.

PART - C

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

• **General:**

1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel 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.
2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act and the rules made thereunder.

3. 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. Increments will be effective from 1st April unless otherwise decided by the board.
4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees 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. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

• **Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:**

1. Fixed pay:

The Whole-time Director / KMP and Senior Management Personnel 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, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director and Whole-time Directors in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3. Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 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.

• **Remuneration to Non- Executive / Independent Director:**

1. Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made there under.

2. Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. Commission:

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.

4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

DISSEMINATION

This Policy shall be placed on the website of the Company and the salient features and changes, therein, if any, along with web address of the Policy, shall be disclosed in the Board's Report of the Company.

ADMINISTRATION AND REVIEW OF THE POLICY

The Board of the Company on recommendation of the Audit Committee shall have authority to amend or modify this policy to align with any amendments made to the Act and rules made thereunder or Listing Regulations or applicable Accounting Standards or such other circulars, SOP, guidelines or regulations issued by SEBI, Stock Exchanges(s) or any other statutory authority.

In the event of any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws then this policy shall stand modified to the extent applicable.

In the event of inconsistency of this policy with any statutory provisions, then the relevant provisions of such applicable law shall prevail upon the provisions of this Policy.
