

ZUVENTUS HEALTHCARE LIMITED

REMUNERATION POLICY

Zuventus Healthcare Limited (“the Company”) has in place a “Nomination and Remuneration Committee” consisting of minimum three Non-Executive Directors of which not less than one-half are Independent Directors.

The Nomination and Remuneration (NR) Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules as may be modified or amended from time to time including any circular, notification thereto (hereinafter referred as “law”).

Scope and Exclusion

This Policy sets out the guiding principles for the NR Committee:

- for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent directors of the Company;
- for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

SELECTION OF DIRECTORS AND DETERMINING DIRECTORS INDEPENDENCE

I. Qualifications and Criteria

The NR Committee, and the Board, shall review on an annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to

have a Board with diverse background and experience that are relevant for the Company's global operations.

In evaluating the suitability of individual Board members, the NR Committee may take into account factors, such as:

- General understanding of the Company's business dynamics, global business and social perspective;
- Educational and professional background standing in the profession;
- Personal and professional ethics, integrity and values;
- Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

The proposed appointee shall also fulfill the following requirements:

- Shall possess a Director Identification Number;
- Shall not be disqualified under the Companies Act, 2013;
- Shall give his written consent to act as a Director;
- Shall endeavour to attend all Board Meetings and wherever he is appointed as a Committee Member, the Committee Meetings;
- Shall abide by the Code of Conduct established by the Company for Directors and Senior Management Personnel;
- Shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- Such other requirements as may be prescribed, from time to time, under the Companies Act, 2013 and other relevant laws.

II. Criteria of Independence

The NR Committee shall assess the independence of Directors at the time of appointment / re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

The criteria of independence, as laid down in Companies Act, 2013 is as below:

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director—

- 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 nonprofit organization 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;

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

- g. shall possess such other qualifications as may be prescribed, from time to time, under the Companies Act, 2013.

The Independent Directors shall abide by the “Code for Independent Directors” as specified in Schedule IV to the Companies Act, 2013.

III. Other Directorship/ Committee Memberships

- a. The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other public companies in such a way that it does not interfere with their role as directors of the Company. The NR Committee shall take into account the nature of, and the time involved in a Director’s service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.
- b. A Director shall not serve as Director in more than 20 companies of which not more than 10 shall be Public Limited Companies.
- c. A Director shall not serve as an Independent Director in more than 7 Listed Companies and not more than 3 Listed Companies in case he is serving as a Whole-time Director in any Listed Company.
- d. A Director shall not be a member in more than 10 Committees or act as Chairman of more than 5 Committees across all companies in which he holds directorships.

For the purpose of considering the limit of the Committees, Audit Committee and Stakeholders’ Relationship Committee of all Public Limited Companies, whether listed or not, shall be included and all other companies including Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 shall be excluded.

REMUNERATION GUIDING PRINCIPLES

I. Remuneration Package of the Senior Management Members

The Company while deciding the remuneration package of the senior management members takes into consideration the following items:

- a. Employment scenario
- b. Remuneration package of the industry and
- c. Remuneration package of the managerial talent of other industries

The annual variable pay of senior managers is linked to the performance of the Company in general and their individual performance for the relevant year measured against specific performance indicators which are aligned to the Company's objectives.

II. Remuneration to Non-Executive Directors

The Non-Executive Directors (NEDs) are paid remuneration by way of Commission and Sitting Fees as per the provisions of law.

Commission is calculated with reference to net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year based on the recommendations of the NR Committee, subject to overall ceilings stipulated in law.

III. Remuneration to Key Managerial Personnel and Wholetime Directors

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to Key Managerial Personnel and Whole-time Directors. Salary is paid within the range approved by the Shareholders. Annual increments as recommended by the NR Committee are approved by the Board.

IV. Remuneration to Other Employees

Employees shall be assigned grades according to their qualification and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such a job profile, skills, seniority, experience and prevailing remuneration levels for equivalent jobs.

The terms of reference of the Nomination and Remuneration Committee shall inter alia include the following:

1. Reviewing the structure, size and composition of the Board and making recommendations to the Board with regard to changes, if any.
2. Identifying persons who are qualified to become directors and who may be appointed to senior management and recommending to the Board their appointment and removal and shall carry out evaluation of every director's performance.
3. Formulating the criteria for determining qualifications, positive attributes and independence of a director.
4. Devising a policy on Board diversity.
5. Recommending to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
6. Overseeing the Company's Stock option schemes and long term incentive plans which include determination of the eligibility for benefits and approval of total annual payments.