

YATHARTH HOSPITAL & TRAUMA CARE SERVICES LIMITED

NOMINATION AND REMUNERATION POLICY

1. Introduction:

- 1.1 This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.
- 1.2 This Policy is guided by the principles and objectives as enumerated in Section 178 (3) of the Companies Act, 2013 and the rules made thereunder, each as amended (the “Act”) and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”), to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, a clear relationship of remuneration to performance and a balance between rewarding short and long-term performance of the Company. The Board has constituted a nomination and remuneration committee (the “NR Committee”) which is in compliance with the requirements of the Companies Act, 2013.

2. Objectives of the NR Committee:

- 2.1 The NR Committee shall:
 - i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.
 - ii. Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
 - iii. Identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy and recommend to the board of directors their appointment and removal.
 - iv. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
 - v. Devise a policy on diversity of Board of Directors; and
 - vi. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.

- vii. To ensure that level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
- viii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

3. Effective Date

- 3.1 The following policy has been formulated by the NR Committee and adopted by the Board of Directors at its meeting held on 21st February 2022.
- 3.2 This policy shall be operational with immediate effect.

4. Definitions:

- 4.1 **"Board"**: - Board means Board of Directors of the Company.
- 4.2 **"Director"**: - Director means Director of the Company appointed in accordance with the Companies Act, 2013.
- 4.3 **"NR Committee"**: - NR Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- 4.4 **"Company"**: - Company means Yatharth Hospital & Trauma Care Services Limited.
- 4.5 **"Independent Director"**: - As provided under the Companies Act, 2013, 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, other than remuneration as such director or having transaction not exceeding ten per cent. of his total income or such amount as maybe prescribed, 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 –
 - (i) is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year.

Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;

- (ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;
 - (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or;
 - (iv) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii)
- 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;
Provided in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during the preceding three financial years;
 - (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—
 1. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 2. 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; or
 - (v) is a material supplier, service provider or customer or a lessor or lessee of the company;
- f) who possesses such other qualifications as may be prescribed under the Companies Act, 2013

4.6 **"Key Managerial Personnel":** - Key Managerial Personnel ('KMP') means-

- (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, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board and
- (vi) Such other officer as may be prescribed under the applicable statutory provisions / regulations.

4.7 **"Senior Management":** - The expression 'senior management' means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

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.

5. **Applicability:**

The Policy is applicable to -

- a. Directors (Executive, Non-Executive or Independent)
- b. Key Managerial Personnel
- c. Senior Management Personnel

6. **Constitution of the NR Committee**

- 6.1 The Board has the power to constitute/ re-constitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement.
- 6.2 The NR shall be formed as per the provisions of the Act and Listing Regulations, as follows:
the committee shall comprise of at least three directors;
all directors of the committee shall be non-executive directors; and
at least fifty percent of the directors shall be independent directors.
The chairperson of the NR shall be an independent director, provided that the chairperson of the Board of Directors, whether executive or non-executive, may be appointed as a member of the NR and shall not chair such Committee.
- 6.3 Membership of the NR shall be disclosed in the annual report of the Company.
- 6.4 Term of the NR shall be continued unless terminated by the Board of Directors.

6.5 The quorum for a meeting of the nomination and remuneration committee shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.

6.6 At present, the NR Committee comprises of following Directors:

Name of the Director	Category	Designation
Sanjeev Upadhyay	Independent Director	Chairman
Mukesh Sharma	Independent Director	Member
Promila Bhardwaj	Independent Director	Member

7. General Appointment Criteria:

7.1 The NR 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.

7.2 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 enactment for the time being in force.

7.3 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 there under, and any other enactment for the time being in force which is applicable to the Company.

7.4 In case of appointment of Independent Directors, the Committee shall satisfy itself the compliance of provisions of Section 149 read with Schedule IV of the Act and rules there under.

7.5 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person in the field of marketing, finance, taxation, law, governance and general management for considering his appointment as Director or KMP; or at Senior Management level.

7.6 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 are sufficient / satisfactory for the concerned position.

7.7 The Company shall not appoint or continue the employment of any person as Whole-time Director

who has attained the age of seventy 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.

8. Additional Criteria for Appointment of Independent Directors:

8.1 The NR 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 Section 149 of the Companies Act, 2013 (as amended from time to time).

9. Term/Tenure:

i. Managing Director/Whole-time Director

The Company shall appoint or re-appoint any person as its Managing Director or Whole-time Director for a term not exceeding five years at a time or as may be prescribed under the Act. No re-appointment shall be made earlier than one year before the expiry of term.

ii. Independent Director

Subject to the provisions of the Act, the Regulations and all other applicable rules, regulations, guidelines etc., 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.

iii. 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 5 years or more in the Company as on October 1, 2014 or such other date as may be determined by the NR Committee as per regulatory requirement; he/ she shall be eligible for appointment for one more term of 5 years only.

iv. The independent director shall at the first meeting of the Board in which she/he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect her/his status as an independent director, give a declaration that he meets the criteria of independence as provided in sub-section (6) of section 149 of the Act and Regulation 25 of the Listing Regulations.

v. 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 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/ managing director of a listed company or such other number as may be prescribed under the Act.

10. Removal

- 10.1 Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations or any other reasonable ground, the NR 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.

11. RETIREMENT

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

12. Criteria for Evaluation of Independent Director and the Board:

- 12.1 Following are the Criteria for evaluation of performance of Independent Directors and the Board.

The Directors including Independent Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- (a) act objectively and constructively while exercising their duties;
- (b) exercise their responsibilities in a bona fide manner in the interest of the company;
- (c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) refrain from any action that would lead to loss of his independence
- (f) inform the Board immediately when they lose their independence,
- (g) assist the company in implementing the best corporate governance practices,
- (h) strive to attend all meetings of the Board of Directors and the Committees;
- (i) participate constructively and actively in the committees of the Board in which they are members;
- (j) strive to attend the Board, Committee and general meetings of the company;
- (k) keep themselves well informed about the company and the external environment in which it operates;
- (l) do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (m) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest;
- (n) abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

12 Board Diversity

- 12.1 The Board of Directors may have the combination of Director from the different areas / fields like

production, Management, Quality Assurance, Finance, Legal, Sales and Marketing, Supply chain, Research and Development, Human Resources etc. or as may be considered appropriate.

13 Remuneration:

- 13.1 The NR Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director and KMP to the Board for their approval.
- 13.2 The level and composition of remuneration so determined by the NR 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 made clear and should 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. Any increments to be recommended to the Board by the NR for whole-time director/ managing director/ independent directors shall be in accordance with the percentage/slabs laid under the provisions of the Act and rules framed thereunder:

13.2.1 Managing Director/Whole-time Director

- a. The compensation paid to the executive directors (including managing director) will be within the scale approved by the shareholders. The elements of the total compensation, approved by the NR Committee will be within the overall limits specified under the Companies Act, 2013.
- b. Besides the above Criteria, the Remuneration/ compensation/ commission etc to be paid to Managing Director/Whole-time Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.
- c. The remuneration payable by the Company to the executive directors shall be subject to the conditions specified in the Act and the SEBI Listing Regulations including in terms of monetary limits, approval requirements and disclosure requirements.

13.2.2 Non-executive Directors

- a. The Non- Executive Director may receive sitting fees for attending meetings of Board or NR Committee or any other Committee thereof. The remuneration/ commission/ compensation to the Non- Executive Directors will be determined by the NR Committee and recommended to the Board for its approval.
- b. The remuneration payable by the Company to Non-Executive Directors shall be subject to the conditions specified in the Act and the SEBI Listing Regulations including in terms of monetary limits, approval requirements and disclosure requirements.

13.2.3 KMPs / Senior Management Personnel etc.

In determining the remuneration of Senior Management Personnel (i.e. KMPs and senior officers just below the board level), the Committee shall ensure / consider the following: (i)

the relationship of remuneration and performance benchmark is clear; (ii) the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals; (iii) the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus; (iv) the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance and current compensation trends in the market.

The Remuneration to be paid to KMPs/ Senior Management Personnel 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 there under or any other enactment for the time being in force.

13.2.4 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 unless otherwise specifically provided under the Act.

14 Chairperson

- 14.1 Chairperson of the NR Committee shall be an Independent Director.
- 14.2 Chairperson of the Company may be appointed as a member of the NR Committee but shall not be a Chairman of the NR Committee.
- 14.3 In the absence of the Chairperson, the members of the NR Committee present at the meeting shall choose one amongst them to act as Chairperson.
- 14.4 Chairman of the NR Committee meeting may be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries

15 Frequency of Meetings

- 15.1 The NR shall meet at least once in a year. The quorum for a meeting of the NR Committee shall be either two members. Further, the chairperson of the NR may be present at the annual general meeting, to answer the shareholders' queries, however, it shall be up to the chairperson to decide who shall answer the queries.

16 NR Committee Members Interest

- 16.1 A member of the NR Committee is not entitled to participate in the discussions when his/her

own remuneration is discussed at a meeting or when his/her performance is being evaluated.

- 16.2 The NR Committee may invite such executives, as it considers appropriate, to be present at the meetings of the NR Committee.
- 16.3 Matters arising for determination of the NR meetings shall be decided by simple majority of votes of members present and voting and any such decision shall for all purposes deemed a decision of the NR. In case of equality of the votes, the chairman of the meeting will have the casting vote.

17 Minutes

Minutes of all meetings must be signed by the chairman of the NR at subsequent meeting

18 Secretary

- 18.1 The Company Secretary of the Company shall act as Secretary of the NR Committee.

19 Voting

- 18.1 Matters arising for determination at NR Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the NR Committee.

20 Adoption, Changes and Disclosure of Information

- 19.1 This Policy and any changes thereof will be approved by the Board based on the recommendation(s) of the NR Committee.
- 19.2 This policy may be reviewed at such intervals as the Board or NR Committee may deem necessary.
- 19.3 Such disclosures of this Policy as may be required under the Act and SEBI Listing Regulations may be made.

20 Dissemination Policy

- 20.1 A copy of this Policy shall be handed over to all Directors within one month from the date of approval by the Board. This Policy shall also be posted on the website of the Company and the details of this Policy, including the evaluation criteria, shall be mentioned in the annual report of the Company

21. Amendments to the Policy

The NR Committee is entitled to amend this policy including amendment or discontinuation of one or more incentive programmes introduced in accordance with this policy; and any amendment by the NR Committee shall be recommended to the Board of Directors for its approval.