

NOMINATION AND REMUNERATION POLICY

PEERLESS HOSPITEX HOSPITAL AND RESEARCH VENTER LIMITED

INTRODUCTION

Human resource considered to be a prime area of focus of the Company and its continuous development is be a part of establishment of good corporate governance.

This remuneration policy has been framed keeping in view the requirement of section 178(3) of the Companies Act, 2013 and rules framed thereunder.

This policy lays down, inter-alia, criteria for determining qualification, positive attributes and independence of a director and remuneration of directors, key managerial personnel and other employees.

DEFINITIONS

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

“Key Managerial Personnel” means:

- (i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- (ii) Chief Financial Officer;
- (iii) Company Secretary; and
- (iv) such other officer as may be prescribed.

“Senior Managerial Personnel” mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

OBJECTIVES

The objective of the policy is to ensure that

- (a) 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) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) 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.

CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Board of Directors of the Company at a meeting held on 5th September, 2014 constituted Company's Nomination and Remuneration Committee in line with the requirements of section 178 of the Companies Act, 2013 read with Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014.

ROLE OF NOMINATION AND REMUNERATION COMMITTEE

The role of the Committee will be the following:

- a) To formulate criteria for determining qualifications, positive attributes and independence of a Director;
- b) To recommend to the Board, a policy relating to remuneration for the directors, key managerial personnel and other employees;

- c) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in this policy and to recommend to the Board for their appointment;
- d) To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out by the Board, by the NRC, or by an independent external agency and review its implementation and competence;
- e) To recommend to the Board the appointment and removal of Directors and Senior Management;
- f) To introduce succession planning for replacing Key Executives and overseeing;
- a) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

**APPOINTMENT AND REMOVAL
DIRECTOR, KEY MANAGERIAL
PERSONNEL AND SENIOR MANAGEMENT**

Appointment criteria and qualifications:

- a) 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 his / her appointment, as per Company's Policy;
- a) A person should possess adequate qualification, expertise and experience for the position he /she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

- a) Except with the permission of the shareholders of the Company, The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years.
- b) Where a person is proposed to be appointed as a Non-executive Independent Director, he/she shall satisfy the 'criteria of independence' as provided in the Companies Act, 2013 and possesses other attributes as specified in the said Act.

TERMS OF APPOINTMENT AND TENURE

a) 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.

b) 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 of upto maximum of 5 years each, 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.

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

c) Evaluation

The Committee shall carry out evaluation of performance of every Director on yearly basis. This will be in addition to the evaluation of the Directors to be done by the Independent Directors as prescribed by law.

d) Removal

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

e) 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.

**POLICY FOR REMUNERATION TO
DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL**

1. Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, 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 and the approvals obtained from the Members of the Company.
- b) Revision to the existing remuneration / compensation may be recommended by the Committee to the Board which should be within the slabs approved by the approved by the shareholders in case of Managing / Whole-time director.
- c) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2. Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- a) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the

time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

3. Remuneration payable to KMP and Senior Management personnel:

Remuneration of Key Managerial Personnel, Chief Financial Officer and Company Secretary and those in senior management (senior management means all members of the management one level below the Executive Directors, including Functional Heads), will be determined in a manner similar to those for Executive Directors based on recommendation made by the top management.

4. Minimum remuneration:

If in any financial year Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the in accordance with the provisions of Schedule V of the Companies Act, 2013.

5. 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 prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sums are 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.

6. Sitting fees

The Non-executive / Independent Director may receive remuneration by way of fees for attending meetings of Board and Committee thereof. The amount of such fees shall be such amount as may be fixed by the Board but not exceeding Rs.1 lakh (Rupees one lakh) per meeting of the Board or Committee or as may be prescribed by the Central Government from time to time.

7. Stock Option

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

The above policy had been adopted by the Board of Directors at its meeting held on 5th September, 2014.