

POLICY ON CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE OF DOCMODE HEALTH TECHNOLOGIES LIMITED

Docmode Health Technologies Limited (“Company”) has constituted a Nomination and Remuneration Committee (“Committee”) in its Board meeting held on 16th January, 2023 as per the terms and conditions provided in Section 178 of the Companies Act, 2013 and other applicable provisions. As per the provisions, the Company is required to frame a policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company.

Objectives:

The main objectives of this policy are as follows:

- a. Formulate the criteria for determining qualifications, competencies, positive attributes and independence of the directors, Key Managerial Personnel (KMP) and Senior Management Personnel and recommend to the Board, a policy relating to the remuneration of Directors, Key Managerial Personnel and other employees.
- b. For every appointment of an Independent Director, the Committee 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 to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may use the services of an external agencies, if required:
 - Consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - Consider the time commitments of the candidates
- c. Formulate the criteria for evaluation of performance of the members of the Board of Directors including Independent Director.
- d. Identify persons who are qualified to become Director and persons who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- e. Recommend to the Board, appointment and removal of Directors, KMP and Senior Management Personnel.
- f. Identify whether to extend or continue the term of appointment of the Independent Director on the basis of the report of their performance evaluation.
- g. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

- h. specify the manner for effective evaluation of performance of Board, its Committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- i. perform any other function as is directed by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

Definitions:

“Board” means Board of Directors of the Company.

“Director” means Director as defined under Section 2(34) of the Act.

“Committee” means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time in accordance with the provisions of the Act and Listing Regulations.

“Independent Director” means a director referred to in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

“Key Managerial Personnel”, means:

1. the Chief Executive Officer or the Managing Director or the Manager;
2. the Whole -Time Director;
3. the Chief Financial Officer;
4. the Company Secretary;
5. 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
6. such other officer as may be prescribed under the Act.

“Senior Management” mean 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 chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

Guiding principles:

The Company shall follow the following guiding principles in order to attract, motivate and retain talent in the Company:

1. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors / KMP and Senior Management Personnel of the quality required to run the company successfully;
2. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

3. remuneration to Directors, KMP and Senior Management Personnel 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.

General:

This Policy is divided into four parts as under:

Part-A -Covers criteria for determining qualifications, positive attributes of directors, KMP and Senior Management Personnel and also independence of Independent Directors.

Part-B - Covers induction of Directors

Part-C - Covers Performance Evaluation of Board, its Committees and Directors including independent directors / Non-executive Directors.

Part-D - Covers Remuneration of Directors, KMP and Senior Management Personnel.

PART-A

Criteria for determining qualifications, positive attributes of Directors, KMP and Senior Management Personnel and also independence of Independent Directors:

1. The Nomination and Remuneration Committee shall identify and ascertain the integrity, qualifications, expertise and experience of the person for appointment as Director, KMP or Senior Management Personnel and recommend to the Board his / her appointment.
2. A person should possess adequate qualifications, expertise and experience for the position he/she is considered for appointment as a Director. The Committee has discretion to decide whether qualifications, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position and are in accordance with the provisions of the Act and Regulation 16(1)(b) of the Listing Regulations.
3. The Committee shall ensure that a person proposed to be appointed as an Independent Director satisfies the criteria laid down under the Act read with Listing Regulations.
4. 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 the members by a special resolution.
5. The appointment and tenure of Directors, Independent Directors and KMPs shall be in accordance with the provisions of the Act and rules thereunder.

PART-B

Induction of Directors:

1. On appointment, the directors shall receive a Letter of Appointment setting out the terms of appointment, duties and responsibilities. Each newly appointed director will be taken through a formal induction programme.
2. The induction process should be designed in such a way so as to familiarize them with the Company, their rights and responsibilities in the Company, nature of industry in which the Company operates, and business model of the company.
3. It shall be ensured that the Directors are updated as and when required of their roles, responsibilities and liabilities.
4. The Company may organize site visits for Directors from time to time

PART- C

Performance Evaluation of Board, its Committees and Directors including Independent Directors / Non-executive Directors:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management on annual basis.

The evaluation of performance of the Board, its Committees and Individual Directors to be carried out either by the Board or by the Nomination and Remuneration Committee or by an independent external agency.

The evaluation of independent directors shall be done by the entire board of directors which shall include:

- a. performance of the directors; and
- b. fulfillment of the independence criteria as specified in these regulations and their Independence from the management:
- c. Provided that in the above evaluation, the directors who are subject to evaluation shall not participate.

An indicative list of factors upon which evaluation of performance can be conducted:

1. Meeting participation & value contribution by a Director.
2. Number of meetings attended.
3. Commitment (includes guidance provided to senior management outside of Board / Committee meetings).
4. Effective management of relationship with stakeholders.
5. Effective deployment of knowledge & expertise in the various fields.
6. Integrity & maintenance of confidentiality.
7. Impact & influence inside / outside of the Company.

Implementation & Monitoring of performance evaluation process:

The Nomination and Remuneration Committee in consultation with Board may be responsible for implementation of evaluation of performances.

PART-D

Remuneration of Directors, KMP and Senior Management Personnel:

1. The remuneration of the Executive Directors, KMP and Senior Management Personnel should be based on Company's financial position, industrial trends, remuneration paid by peer companies. The remuneration should be reasonable and sufficient to attract, retain and motivate the aforesaid persons.
2. Remuneration to Executive Directors shall be paid by way of salary (including fixed pay and variable pay), perquisites and retirement benefits, based on recommendation of the Committee and approval of the Board and Shareholders.
3. The Non-Executive Directors shall be paid remuneration by way of sitting fee for attending the meetings of the Board and Committees.
4. The KMPs shall be paid remuneration approved and / or noted by the Board of Directors.
5. The Senior Management Personnel shall be paid remuneration as per Company's policy.
6. Exceptional increments in the existing remuneration of Executive Directors and KMP shall be approved and or noted by the Committee within the limits prescribed under the Act. Increments in the remuneration of Senior Management Personnel shall be as per Company's policy.

Adoption, changes and disclosure of information:

1. This Policy and any changes thereof will be approved by the Board based on the recommendation(s) of the Nomination and Remuneration Committee
2. This Policy may be reviewed at such intervals as the Board or Nomination and Remuneration Committee may deem necessary.
3. Such disclosures of this Policy as may be required under the Act and SEBI Listing Regulations may be made.

Amendment:

Any subsequent modification / amendment to the provisions of the Act / Regulations shall automatically apply to this Policy.