



METROPOLIS HEALTHCARE LIMITED

NOMINATION AND REMUNERATION POLICY

Reviewing Authority	Nomination & Remuneration Committee of the Company
Approving Authority:	Board of Directors of the Company
Original Issue Date:	February 11, 2019
Last Revision Date:	May 16, 2023
Version No.:	2.0
Review Cycle:	At such intervals as prescribed under the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015
Applicability	The Company

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. The Board has constituted a Nomination and Remuneration Committee (the “NR Committee”) which complies with the requirements of the Act and SEBI Listing Regulations.
- 1.3. This Policy is guided by the principles and objectives as enumerated in Section 178 of the Companies Act, 2013 read along with the applicable rules framed thereunder as amended from time to time (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”).
- 1.4. This Policy is implemented to ensure reasonableness and sufficiency of remuneration to attract, retain and motivate competent resources, to have a clear relationship of remuneration to performance and maintain a balance between rewarding short and long-term performance of the Company.

2. Objectives of the NR Committee:

- 2.1. The objective of the Committee is as follows:
 - i. To formulate the criteria for determining qualifications, positive attributes and independence for appointment of a director and recommend to the Board, a policy relating to the remuneration and evaluation of the performance of Directors including Independent Directors, Key Managerial Personnel (“KMP”), Senior Management Personnel and other employees.
 - ii. To prepare a description of the role and capabilities required of an Independent Director as per Schedule IV of the Act and Schedule II of the SEBI Listing Regulations.
 - iii. For the purpose of identifying suitable candidates, the Committee may:
 - a) Use the services of external agencies, if required;
 - b) Consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c) Consider the time commitments of the candidates



- iv. To formulate criteria for evaluation of the performance of Independent Directors and the Board of Directors.
- v. To devise a Policy on the diversity of the Board of Directors.
- vi. To identify persons who are qualified to become directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- vii. To determine, whether to extend or determine the term of appointment of the independent director, based on the report of performance evaluation of independent directors.
- viii. To approve and recommend to the Board, the Policy for Succession Planning for the Board and Senior Management.
- ix. To establish and review Board, KMP and Senior Management succession plans to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.
- x. To review the Policy for Succession Planning for the Board and Senior Management at regular intervals.
- xi. To recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
- xii. To recommend to the Board, the appointment and removal of the Director, KMP and Senior Management Personnel.
- xiii. To ensure that the level and composition of remuneration are reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
- xiv. To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- xv. To ensure that 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.

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 February 11, 2019, and revised on May 16, 2023.
- 3.2 This policy shall be operational with immediate effect.

4. Definitions:

- 4.1 **"Board"**: - Board of Directors of the Company.
- 4.2 **"Director"**: - Director of the Company appointed in accordance with the Companies Act, 2013.
- 4.3 **"NR Committee"**: - Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- 4.4 **"Company"**: - Metropolis Healthcare Limited.
- 4.5 **"Independent Director"**:- an Independent Director appointed in accordance with Section 149 of the Companies Act, 2013 and rules applicable thereon.
- 4.6 **"Key Managerial Personnel"**:- Key Managerial Personnel ('KMP') 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; and
 - e. Such other officer as may be prescribed.
- 4.7 **"Senior Management"**:- the officers and Personnel of the Company 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 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.

5. Applicability:

- 5.1 This Policy applies to:-
- a. Directors (Executive and Non-Executive)
 - b. Key Managerial Personnel
 - c. Senior Management Personnel

6. Constitution of NR Committee:

- 6.1 The Board has the power to constitute/ re-constitute the Committee from time to time to make it consistent with the Company's policy and applicable statutory requirements. At present, the NR Committee comprises of following Directors:

Name of the Director	Category	Designation
Anita Ramachandran	Independent Director	Chairperson
Sanjay Bhatnagar	Independent Director	Member
Vivek Gambhir	Independent Director	Member

7. Appointment of Directors, KMP & Senior Management:

7.1 Appointment of Directors

- i. The NR Committee shall review and assess Board Composition and recommend the appointment of new directors to the Board. While evaluating the suitability of individual Board Members, the NR Committee shall take into account the following criteria regarding qualifications, positive attributes and independence of the Director:
 - a. All Board appointments will be based on merit, in the context of the skills, experience, independence and knowledge, for the Board as a whole to be effective.
 - b. Ability of the candidates to devote sufficient time and attention to his/her professional obligations as Director for informed and balanced decision-making.
 - c. Personal characteristics are in line with the Company's values, such as integrity, honesty, and transparency
 - d. Adherence to the prescribed criteria of Independence, if applicable, Code of Conduct and the highest level of Corporate Governance in letter and spirit by the Directors.



- e. The director has not been debarred or disqualified from being appointed as a director of a company by the Securities and Exchange Board of India (“SEBI”) and/or the Ministry of Corporate Affairs or any other statutory authority.
 - f. The number of directorships held by each director in other Companies is below the specified limit under the Act and SEBI Listing Regulations and amendments made from time to time.
 - g. Any other criteria as may be decided by the Board.
- ii. The Committee shall recommend the appoint or continue the employment of a person as Managing Director /whole-time Director and non-executive Director who has not attained the maximum age of retirement as prescribed under relevant laws.
 - iii. For the purpose of Identifying suitable candidates, the Committee may use the services of an external agency, if required.
 - iv. Based on the recommendation of the NR Committee, the Board will evaluate the candidate(s) and decide on the selection of the appropriate member.
 - v. The Board will interact with the new member to obtain his/her consent for joining the Board.
 - vi. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Act and the SEBI Listing Regulations.
 - vii. The Company shall not appoint any resigning Independent Director, as Whole-Time Director, unless a period of one year has elapsed from the date of resignation as an Independent Director.

7.2 **Appointment of KMP and Senior Management**

- i. Subject to the applicable provisions of the Act and SEBI Listing Regulations, the NR Committee shall ascertain the integrity, qualification, expertise and experience of the person identified for appointment as KMP or Senior Management and recommend to the Board his/her appointment.
- ii. A whole-time KMP of the Company shall not hold office in more than one Company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

8. Removal of Director/KMP/Senior Management:

- 8.1. Due to reasons for any disqualification mentioned in the Act and SEBI Listing Regulations or any other reasonable ground, the NR Committee may recommend to the Board with reasons recorded in writing, removal of Director, KMP or Senior Management subject to the provisions and compliance of the Act and SEBI Listing Regulations.

9. Succession Planning for the Board and Senior Management:

- 9.1 The Board of Directors in their Meeting held on November 08,2022 had approved the Policy for Succession Planning for the Board and Senior Management ("Succession Planning Policy"). The Nomination and Remuneration Committee shall establish and review succession plans for Board, KMP and Senior Management within the overall framework of the Succession Planning Policy of the Company. The Succession Planning Policy is appended as **Annexure 1** to this Policy.

10. Term / Tenure:

10.1 Chairman/Managing Director/Whole-time Director

The Company shall appoint or re-appoint any person as its Executive Chairman, 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 the term.

10.2 Independent Director:

- i. An Independent Director shall hold office for a term of 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.
- ii. No Independent Director shall hold office for more than two consecutive terms but such Independent Director shall be eligible for appointment after the expiry of three years of ceasing to become an Independent Director.

Provided that 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.

- iii. No person shall be appointed or continue as an alternate Director for an Independent Director.

10.3 **KMP/Senior Management**

The terms of appointment, re-appointment and subsequent retirement of Senior Management and KMP shall be as per the provisions of the law including the Act, SEBI Listing Regulations and prevailing policy of the Company.

11. Board diversity:

11.1 The Board of Directors may have a combination of Directors from different areas/fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development, Human Resources etc. or as may be considered appropriate.

12. Remuneration:

12.1 The NR Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, Senior Management and KMP to the Board for their approval, in accordance with the provisions of the Act.

12.2 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:

The Managing Director/Whole-time Director

12.3 The compensation paid to the executive directors (including the 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 Act.

12.4 Besides the above Criteria, the Remuneration/ compensation/ commission etc to be paid to Managing Director/Whole-time Director shall be governed as per provisions of the Actor any other enactment for the time being in force.

12.5 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.

The Non-Executive Directors

12.6 The Non-Executive Director may receive sitting fees for attending meetings of the Board or NR Committee thereof. The remuneration/ compensation/ commission to the Non-Executive Directors will be determined by the NR Committee and recommended to the Board for its approval.

12.7 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.

KMPs / Senior Management Personnel etc.

12.8 The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel, their performance and governed by the limits, if any prescribed under the Act or any other enactment for the time being in force.

Directors' and Officers' Insurance

12.9 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 person unless otherwise specifically provided under the Act.

13. Chairperson

13.1 Chairperson of the NR Committee shall be an Independent Director.

13.2 Chairperson of the Company may be appointed as a member of the NR Committee but shall not be a Chairperson of the NR Committee.

13.3 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.

13.4 Chairperson of the NR Committee could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

14. Frequency of Meetings

14.1 The meeting of the NR Committee shall be held at such regular intervals as may be required.

15. NR Committee Members Interest

- 15.1 A member of the NR Committee is not entitled to participate in the discussions when his/her remuneration is discussed at a meeting or when his/her performance is being evaluated.
- 15.2 The NR Committee may invite such executives, as it considers appropriate, to be present at the meetings of the NR Committee.

16. Secretary

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

17. Voting

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

18. Adoption, Changes and Disclosure of Information

- 18.1 This Policy and any changes thereof will be approved by the Board based on the recommendation(s) of the NR Committee. Any amendment(s) in the statutory/ regulatory requirements shall be binding even if not incorporated in this Policy.
- 18.2 This Policy may be reviewed at such intervals as the Board or NR Committee may deem necessary or as prescribed under the Act and SEBI Listing Regulations.
- 18.3 Such disclosures of this Policy and about the remuneration details of the Directors, Key Managerial Personnel, Senior Management and other employees as may be required under the Act and SEBI Listing Regulations may be made.

19. Dissemination of Policy

- 19.1 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.

20. Penalty for Non-Adherence of the Clauses of the Policy

20.1 Non-Adherence to any of the Clause as mentioned in this Policy by the Company will attract a penalty of one lakh rupees which may extend to five lakh rupees and every officer of the Company who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees, or with both as prescribed under Section 178 of the Companies Act, 2013 and a penalty of one lakh rupees which may extend to one crore rupees as prescribed under Section 15 HB of SEBI Act, 1992.

Policy for Succession Planning for the Board and Senior Management

1. Background and Introduction
2. Objective
3. Applicability
4. Succession Plan for Board
5. Succession Plan for the Senior Management & Other critical positions
6. Successor Development
7. Review of the Policy

Adopted on 08 November, 2022

1. Background and Introduction

The Securities and Exchange Board of India (SEBI) revised the Code of Corporate Governance for listed companies significantly to bring it in line with the Companies Act 2013. SEBI has mandated the need for a succession policy and planning as key function of the Board of Directors.

Regulation 17(4) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 require the Company to put in place Policy on Succession planning for the Board and Senior Management and display the same on the website of the Company.

The Company recognizes the importance of the process to Succession Planning to provide for continuity in the smooth functioning of the organization. It is an essential function of the Board for survival, growth of the organization and to ensure its continued effective performance through leadership continuity. There are certain positions in the Company that are key to Company's current and future growth. It is, therefore, important that these positions are manned by skilled and best possible incumbents and those positions whenever fall vacant are filled well in time to avoid any leadership gaps. The Company has therefore put in place a Policy on Succession Planning for the Board and Senior Management (hereinafter called the "Policy").

The Company recognizes the below benefits of having in place the visible Succession Plan:

- 1.1 It signals to their employees that company is focused on their long-term future by protecting the
- 1.2 organization from the havoc that unwelcome departures can create.
- 1.3 It assures clients and customers and helps preserve their confidence in the organization because they know that it will continue to provide products and/or services without interruption.
- 1.4 It helps focus people's attention on the competencies they need to do an excellent job.
- 1.5 It puts more focus on developing talent from within the organization. People will know that with targeted education, training, and coaching, they could move into key positions. This boosts overall motivation, morale, and satisfaction in the organization.

2. The Objective of this policy is:

- 2.1 To ensure the Group is prepared with a plan to support operation and service continuity when the Board, KMP's and Senior Management Personnel or key business leader leave their positions.
- 2.2 To prepare a supply of suitably qualified and motivated employees for higher roles and responsibilities.
- 2.3 To identify and nominate suitable candidates for the Board's approval to fill the vacancies which arises in the Board of the Company from time to time
- 2.4 To develop career paths for employees which will facilitate the Group's ability to recruit and retain top-performing or high talent employees
- 2.5 To deliver a message to the Group's employees that they are valuable; and
- 2.6 To ensure the systematic and long-term development of individuals in the senior management level to replace when the need arises due to deaths, disabilities, retirements, and other unexpected occurrence

3. Applicability

This Policy for Succession planning is applicable to the following personnel:

- 3.1 Board of Directors include Whole-time Directors, MD & CEO and Chairman of the Organization appointed by the Board/ Shareholders.
- 3.2 'Senior Management' shall mean and include the following: - Members of Management Team reporting to the MD & CEO - KMPs (other than whole-time director)
- 3.3 Any other positions within the Company at the discretion of the CEO & Executive Director in consultation with the Board.

4. Succession Plan for the Board & KMP

The responsibility of ensuring timely replacement for positions of any Director, lies with the Nomination & Remuneration Committee (NRC) of Directors of the Company.

The NRC shall undertake a process of due diligence to determine the suitability of the person for appointment / re-appointment / continuation as a Director on the Board, based upon qualification, expertise, track record, integrity and other 'fit and proper' criteria. In the event of any unexpected vacancy in the Board, NRC shall meet and appoint a suitable person to take charge of the said position either on an interim basis or on permanent basis.

The Nomination & Remuneration Committee of the Board shall apply a due diligence process to determine the suitability of every person being evaluated for any position in the Board & KMP.

The below steps are undertaken for the process of Succession Planning:

4.1 Succession Planning for Board and KMP

- 4.1.1 Define - the competency requirements of critical and key positions
- 4.1.2 Competencies to be pre- approved by NRC
- 4.1.3 NRC to regularly assess potential candidates' basis their performance track record and Potential assessment and finalization the talent
- 4.1.4 Talent with readiness of 0-3 years will be considered as potential successors
- 4.1.5 Potential assessment of candidate to be done two prong 1) Internal assessment 2) External assessment to get a balance and neutral view on talent
- 4.1.6 Potential assessment once in three years through external assessment

The Company has also framed a Nomination & Remuneration Policy to guide the Board in relation to appointment/reappointment/removal of Directors and to devise criteria for performance evaluation of Independent Directors and the Board and to ensure adequate diversity in the Board to make good use of the varied skills, regional and industry experience, background, gender and other qualities of the Directors.

Accordingly, the appointment/re-appointment/removal and tenure of the Directors including the CEO & Executive Director and Executive Directors of the Company shall be governed by the provisions of Nomination & Remuneration Policy of the Company.

5. Succession Plan for the Senior Management & Other Critical Positions

The responsibility of ensuring timely replacement for Senior Management positions, lies with the MD and CEO of the Company.

The Human Resource Department of the Company on an ongoing basis shall be responsible to follow the succession planning process and ensure successor development plan of Internal talent, who can be groomed to occupy Director/ senior level positions.

5.1 Succession Planning for Senior Management Team

- 5.1.1 Define the competency requirements of critical and key positions
- 5.1.2 Competencies to be pre- approved by NRC
- 5.1.3 MD, CEO and two-member senior management team member to form the Successor Talent Council (STC) to sign of the nomination of successors
- 5.1.4 STC to regularly assess potential candidates' basis their performance track record and Potential assessment
- 5.1.5 Talent with readiness of 0-3 years will be considered as potential successors
- 5.1.6 Potential assessment once in three years through external assessment.

Every member of the senior management team shall always endeavor to mentor high potential talent who are successors to senior management roles. This should also include giving exposure to the talent pool to the key responsibilities and all aspects of work being handled by the senior management team members.

Exceptions

In case of non- availability, the said plan may involve selection of an external candidate having requisite skills, experience, leadership quality and expertise deemed necessary for the said position.

- a. The NRC can take a call to nominate internal talent on an "interim basis", till a suitable replacement is found.
Or
- b. Grant an extension in term/service of exiting role incumbent till a suitable replacement is found.

6. Successor Development

The successors are being categorized in the following bracket:

- a. Successor ready within 1 year
- b. Successor ready in 1-2 years
- c. Successor ready in 2-3 years

The learning initiatives of the successors are basis their readiness, competency assessment and the gaps in the skills. Individual Development Plan for each of the successor is curated which has varied learning interventions viz. 360-degree exposure through Action Projects, Job Enrichment, Training Coaching/Mentoring to ensure the systematic and long-term development of individuals in the senior management level to replace when the need arises.

7. Review of the Policy

In case of any amendment (s), clarification (s), circular (s) etc. issued by the relevant authorities, not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail and this Policy shall stand amended to that extent.

The Board has the power to replace this Policy entirely with a new policy.

Confidentiality:

All persons responsible for execution of the Succession Planning Policy shall ensure confidentiality of the discussions and decisions with regard to the prospective candidate, except that the information may be shared, if required, with the concerned candidate in order to prepare him/her for such elevation.