



MEDICAPS LIMITED

POLICY FOR APPOINTMENT OF DIRECTORS AND CRITERIA FOR DETERMINING THE QUALIFICATIONS, POSITIVE ATTITUDE AND INDEPENDENCE OF A DIRECTORS.

(PURSUANT TO REGULATIONS 25 (7) & 46 (2)(i) OF SEBI (LISTING
OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

1. INTRODUCTION

The Company recognized that an enlightened Board can effectively create a culture of leadership to provide long term vision, improve the quality of governance and invite the confidence of stakeholders. In order to ensure that Board Directors can discharge their duties and responsibilities effectively, the Company aims to have an optimum combination of experience and commitment. The Company also believes the importance of Independent Directors and Directors in achieving the effectiveness of the Board.

2. SCOPE AND EXCLUSION

The policy contains the guiding principle for the Nomination and Remuneration Committee to identify the person who is qualified to become Director and to determine the independence of Directors in case of appointment of Independent Director in the Company.

3. DEFINITION

In this Policy following terms has been used to convey the meaning set out below.

- a) Director – Means a Director appointed in the Board of the Company.
- b) Independent Director – Means a Director who meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 and SEBI (Listing obligation and disclosure requirements) Regulations, 2015.
- c) Nomination and Remuneration Committee- Means a committee constituted in terms of provisions of Section 178 of the Companies Act, 2013 and and SEBI (Listing obligation and disclosure requirements) Regulations, 2015.

4. QUALIFICATION AND CRITERIA

The Nomination and Remuneration Committee shall review on an annual basis the appropriate knowledge, experience and skills required of the Board as a whole and its individual members to discharge duties and responsibilities effectively. The idea to have a Board with diverse background and experience that is required for the domestic and international business of the Company.

The following criteria may be considered for evaluating the suitability of an individual in the Board.

5. ELIGIBILITY

The proposed appointee shall not be convicted of any offence in connection with promotion, formation or management of any company and have not found guilty of any fraud of any breach of duty to any company under this Act or under any previous company law in the last five years. The proposed appointee to declare further that if appointed, his/her total Directorship in all the companies taken together shall not exceed the prescribed number of companies for which a person can be appointed as a Director under Companies Act, 2013.

6. NUMBER OF DIRECTORSHIP COMMITTEE MEMBERSHIP AND

The proposed appointee shall not exceed the prescribed number of companies for which a person can be appointed as a Director. However, the proposed appointee shall not serve as an Independent Director more than 7 Companies and not more than 3 listed Companies in case he/she is serving as a whole-time Director in any Listed Company. The Proposed appointee shall not be a member in more than 10 Committees or act as a Chairman of more than 5 committee across all companies where he holds directorships. For the purpose of counting the Limit of Committee, the Audit Committee and Stakeholder Relationship Committee shall be taken into consideration.

CRITERIA OF SELECTION OF NON EXECUTIVE DIRECTORS

- a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, engineering, medical science finance, governance and general management.
- b. The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- c. The N&R Committee shall consider the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Director.
 - Qualification, expertise and experience of the Directors in their respective fields;
 - Personal, Professional or business standing;
 - Diversity of the Board.
- d. In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

CRITERIA FOR APPOINTMENT OF EXECUTIVE, WHOLE- TIME DIRECTORS ON THE BOARD

For the purpose of selection of the MD and WTD the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.

CRITERIA FOR DETERMINING INDEPENDENCE OF DIRECTORS.

The Nomination and Remuneration Committee shall assess Independence of a Director at the time of appointment and re-appointment and Board shall assess independence annually. However, the Board shall re-assess the independence when a new interest is disclosed by a Director. The criteria of independence as specified in Companies Act, 2013 and SEBI (Listing obligation and disclosure requirements) Regulations, 2015 is summarised below:-

"Independent director" means a non-executive director, other than a nominee director of the listed entity:

1. who, in the opinion of the board of directors, is a person of integrity and possesses relevant expertise and experience;
2. who is or was not a promoter of the listed entity or its holding, subsidiary or associate company;
3. who is not related to promoters or directors in the listed entity, its holding, subsidiary or associate company;

4. who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
5. none of whose relatives has or had pecuniary relationship or transaction with the listed entity, 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 from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
6. who, neither himself, nor whose relative(s) —
 - holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity 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;
 - 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 firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or
 - any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - holds together with his relatives two per cent or more of the total voting power of the listed entity; or
 - 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 or corpus from the listed entity, 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 listed entity;
 - is a material supplier, service provider or customer or a lessor or lessee of the listed entity;
7. who is not less than 21 years of age.

CRITERIA FOR POSITIVE ATTITUDE

The Nomination and Remuneration Committee shall consider the following criteria for determining the positive attitude of a Director.

1. Acts objectively and constructively while discharging duties and responsibilities.
2. Actively participate in developing strategies for addressing issues concerning weakness of the Company.
3. Demonstrates quality of analysis and judgment related to progresses and opportunities and need for changes.
4. Keep well informed about the Company and the external environment in which it operates.
5. To act collectively with other Directors of Board amidst congenial atmosphere in the Board.