

MEDI-CAPS LIMITED

(CIN: L70100MP1983PLC002231)

Regd. Office: Mhow-Neemuch Road, Sector I, Pithampur, Distt. Dhar (M.P.)- 454775

Email: investors@medicaps.com, Phone: 07292-256205, Fax: 0731-4041435

NOMINATION AND REMUNERATION POLICY

PREAMBLE

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the regulation 19 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

Medi-Caps Limited (Company) has formulated a policy called “Remuneration Policy” to ensure the payment of equitable, competitive remuneration to all Directors, Key Managerial Personnel (KMP) and employees of the Company which is based on individual performance, Company’s benchmark, Industry practices and performance of the Company as a whole.

OBJECTIVE:

The Nomination and Remuneration Committee and this Policy shall be in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto 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 (“LODR”). The Key Objectives of this policy would be:

- 1) To guide the Board in relation to appointment and remuneration and removal of Directors, Key managerial Personnel and Senior Management.
- 2) 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 senior management person.
- 3) Formulation of criteria for evaluation of Independent Director and the Board.
- 4) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- 5) To recommend to the Board on Remuneration payable to the Directors, Key managerial Personnel and Senior Management.
- 6) To provide to Key managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company’s operations.
- 7) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- 8) To Implement and monitor policies and processes regarding principles of corporate governance.

APPLICABILITY:

The Policy shall be applicable for recommendation of the appointment as well as change in remuneration of the following categories of the persons in the company:

- a) Directors (Executive and Non Executive);
- b) Key Managerial Personnel; and
- c) Senior Management Personnel.

DEFINITIONS:

“**Act**” means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

“**Board**” or “**BOD**” means Board of Directors of the Company.

“**Directors**” mean Directors of the Company.

“**Independent Director**” means as defined under section 2(47) of the Companies Act, 2013.

“**Key Managerial Personnel**” or “**KMPs**” means;

- i. Managing Director, or Chief Executive Officer or Chief Operating Officer, 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 Management**” means the 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.

“**Policy**” or “**This policy**” means Nomination and Remuneration Policy.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time shall have the meaning respectively assigned to them therein

APPOINTMENT CRITERIA AND QUALIFICATIONS:

- a) The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMPs or Senior Management level and recommend to the Board his/her appointment.
- b) 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.
- c) The Company shall not appoint or continue the employment of any person as Managing Director or Whole- time Director who has attained the age of 70 (seventy years) and the non executive director who has attained the age of 75 (seventy five years). Provided that the term of the person holding this position(s) may be extended beyond the age of seventy/seventy five years as the case may be with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy/seventy five years.
- d) The committee shall confirm and verify that a person proposed for appointment as director is not debarred from holding the office of director pursuant to any SEBI order and in case an existing director is restrained from acting as a director by virtue of any SEBI order or any other such authority, the committee shall intimate such director for his/her voluntarily resignation with immediate effect and if such director does not resign then in that case committee shall inform the Board to initiate the process of removal of such director in terms of relevant sections of the Companies Act, 2013.

Term/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 or three years as case may be. 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 up to 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.

Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at yearly or at such intervals as may be considered necessary.

Removal:

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

Retirement:

The Directors, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act 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, upon the recommendation of the NRC for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMPs/SENIOR MANAGEMENT PERSONNEL:

1. Remuneration to Managing/ Whole-Time Directors:

The Remuneration 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.

2. Remuneration to Non-Executive/Independent Director:

The Non-Executive/Independent Director may receive remuneration/compensation/commission as per the provisions of the Companies Act, 2013 read with SEBI (LODR) Regulations, 2015. The amount of sitting fees shall be subject to limits as provided under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

3. Remuneration to KMP (except MD/WTD) and Senior Management Personnel:

- a) The remuneration for KMP (except WTD/MD) and Senior Management Personnel is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and market conditions.
- b) The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.
- c) The annual increments to the remuneration paid to KMP (except MD/WTD) and Senior Management Personnel shall be determined based on their performance as reviewed by the committee.

Nomination Duties:

The duties of the Committee in relation to nomination matters include:

- a) Ensuring that there is an appropriate induction & training programme in place for new Directors and members of Senior Management and reviewing its effectiveness;
- b) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Companies Act, 2013;
- c) Identifying and recommending Directors who are to be put forward for retirement by rotation.
- d) Determining the appropriate size, diversity and composition of the Board;

- e) Setting a formal and transparent procedure for selecting new Directors for appointment to the Board;
- f) Developing a succession plan for the Board and Senior Management and regularly reviewing the plan;
- g) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance;
- h) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract.
- i) Delegating any of its powers to one or more of its members or the Secretary of the Committee; Recommend any necessary changes to the Board. Considering any other matters as may be requested by the Board.

Remuneration Duties:

The duties of the Committee in relation to remuneration matters include:

- a. To consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board;
- b. To approve the remuneration of the Senior Management including KMPs of the Company maintaining a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company; and
- c. To consider any other matters as may be requested by the Board;

REVIEW AND AMENDMENT:

- 1. The NRC or the Board may review the Policy as and when it deems necessary.
- 2. This Policy may be amended or substituted by the NRC or by the Board as and when required and also by the Compliance Officer where there are any statutory changes necessitating the change in the policy and shall be binding on the concerned Directors, KMPs and Senior Management Persons in the manner described as above.

DISCLOSURE:

The details of this Policy and the evaluation criteria as applicable shall be disclosed in the Annual Report as part of Board's Report therein or alternatively the same may be put up on the Company's website and reference drawn thereto in the Annual Report.

The Policy is further reviewed and approved by the Board of Directors at their meeting held on 04.08.2022 and came into force w.e.f 04.08.2022.

By orders of the Board
For, MEDI-CAPS LIMITED
Sd/-
ALOK K. GARG
MANAGING DIRECTOR
DIN: 00274321