

SUNIL HEALTHCARE LIMITED

CIN: L24302DL1973PLC189662

Vijay Tower, 38E/252-A, Shahpur Jat, Panchsheel park commercial complex, New Delhi-110049

NOMINATION & REMUNERATION POLICY FOR THE MEMBERS OF BOARD AND KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

(UPDATED POLICY INCORPORATING THE FIRST AMENDMENT TO POLICY AS APPROVED
BY THE BOARD ON AUGUST 13, 2018)



1. Preamble

- a. Pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors of every listed Company shall constitute the Nomination and Remuneration Committee. The Company already constituted Remuneration Committee comprising of three non-executive Independent Directors as required under Listing Agreement. In order to align with the provisions of the Companies Act, 2013 and **the SEBI (LODR) Regulation, 2015 as amended from time to time**, the Board of Directors reconstituted the **"Nomination and Remuneration Committee"** on February 12, 2018 with three non-executive Independent Directors as Member of the Committee. The Nomination & Remuneration Committee presently comprises of three members' viz. Mr. Rakesh Mohan IAS Ret. As Chairman, Mr. Sanjay Kumar Kaushik and Dr. Lata (Ret. IAS) as members.
- b. This Committee and the Policy is formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and **provisions of SEBI (LODR) Regulation 2015**
- c. The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as **"Executives"**).
- d. The policy would be reviewed as per discretion by the Nomination and Remuneration Committee of the Board of Directors for aligning its provisions as per applicable law.
(Amended with effect from August 13, 2018)

2. Aims & Objectives

The aims and objectives of this remuneration policy may be summarized as follows:

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
2. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation
3. The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and Executive level.
4. The remuneration policy seeks to enable the company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.
5. The remuneration policy will ensure that the interests of Board members & Executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.
6. The remuneration policy will ensure that remuneration to Directors and Executives 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. Definition

- ✦ **"Board"** means Board of Directors of the Company.
- ✦ **"Company"** means "Sunil Healthcare Limited"
- ✦ **"Employees' Stock Option"** means the option given to the directors, officer or employees of a company or of its holding company or subsidiary company or companies, if any, which gives such directors, officers or employees, the benefit or right to purchase, or to subscribe for, the shares of the company at a future date at a pre-determined price.
- ✦ **"Independent Director"** means a director referred to in Section 149 (6) of The Companies Act, 2013.
- ✦ **"Key Managerial Personnel" (KMP)** means *Key managerial Personnel of the Company in terms of Section 2(51) of the Company Act, 2013 and rules made thereunder.*



The following shall be the whole time KMP

- Chief Executive Officer or the Managing Director or the Manager,
- Company Secretary,
- Whole-time Director,
- Chief Financial Officer
- *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 (inserted by the Companies Amendment Act, 2017; and*
- Such other officer as may be prescribed.
The above definition is amended with effect from August 13, 2018)

- ± **“Nomination and Remuneration Committee”** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Agreement.
- ± **“Policy or This Policy”** means, “Nomination and Remuneration Policy.”
- ± **“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.
- ± **“Senior Management”** mean personnel of the Company who are members of its core management team excluding Board of Directors and normally this shall comprise all members of the management one level below the executive directors, including all functional heads. **(amended with effect from August 13, 2018)**

4. Principles of remuneration

- Support for Strategic Objectives:** Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company’s vision and strategy.
- Transparency:** The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- Internal equity:** The Company shall remunerate the board members and the Executives in terms of their roles within the organisation. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- External equity:** The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people and the influence of external remuneration pressures.
- Flexibility:** Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.
- Performance-Driven Remuneration:** The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System.
- Affordability and Sustainability:** The Company shall ensure that remuneration is affordable on a sustainable basis.

5. Nomination and Remuneration Committee

- 1) The erstwhile Selection and Remuneration Committee of the Board of Directors shall be re-named as the Nomination and Remuneration Committee. Members of the Committee shall be appointed by the Board and shall comprise of three or more non-executive directors out of which not less than one-half shall be independent directors.



2) The Committee shall be responsible for

- a. Formulating framework and/or policy for remuneration, terms of employment including service contracts, policy for and scope of pension arrangements, etc for Executives and reviewing it on a periodic basis.
- b. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the appointments and remuneration for the Director and executives.
- c. Identifying persons who are qualified to become directors and who may be appointed as Executives in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out their evaluation.
- d. Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognised.
- e. Ensure that the level and compositions of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- f. Devising a policy on board diversity
- g. To perform such other functions as may be necessary or appropriate for the performances of its duties.

3 The Committee shall:

- i. Review the ongoing appropriateness and relevance of the remuneration policy;
- ii. Ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;
- iii. Obtain reliable, up-to-date information about remuneration in other companies;
- iv. Ensure that no director or Executive is involved in any decisions as to their own remuneration.

4 Without prejudice to the generality of the terms of reference to the Nomination and Remuneration Committee set out above, the Committee shall:

- i. Operate the Company's share option schemes (if any) or other incentives schemes (if any) as they apply to. It shall recommend to the Board the total aggregate amount of any grants to employees (with the specific grants to individuals to be at the discretion of the Board) and make amendments to the terms of such schemes (subject to the provisions of the schemes relating to amendment);
- ii. Liaise with the trustee / custodian of any employee share scheme which is created by the Company for the benefit of employees or Directors and.
- iii. Review the terms of executive Directors' service contracts from time to time.

6 Procedure for selection and appointment of the Board Members

Board membership criteria

The Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience in business, government, academics, technology



and in areas that are relevant for the Company's global operations.

In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and Personnel achievements.

In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.

Selection of Board Members/ extending invitation to a potential director to join the Board

One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

The Board then makes an invitation (verbal / written) to the new member to join the Board as a Director. On acceptance of the same, the new Director is appointed by the Board.

7 Procedure for selection and appointment of Executives other than Board Members

- a. The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel, and produce a written document thereon;
- b. The Committee may conduct a wide-ranging search for candidates for the positions of Employees within the Company, within enterprises controlled by the Company or within enterprises in which the Company holds equity, if any, and on the human resources market;
- c. The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;
- d. A meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of the Employees;
- e. Before the selection of Employee, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors;
- f. The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.
- g. In addition to above, the Committee shall take into the consideration the Succession Policy as approved by the Board with effect from May 25, 2018. (Inserted with effect from August 13, 2018)



Term and Tenure

- A. Managing Director and 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 the 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 special resolution by the company and disclosure of such appointment in the Board' Report.
No IDs shall hold office for more than two consecutive terms, but such IDs shall be eligible for appointment after expiry of three years of the ceasing to become IDs. Provided that IDs 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.
- C. Evaluation: - (Amended with effect from 13.08.2018)**
- (i) The committee shall carry out evaluation of performances of Directors, Board and its Committees as per Board Evaluation Policy of the Company;
- (ii) The committee shall carry out evaluation of performances of KMPs and Senior Management Personnel at regular interval as per Nomination and Remuneration Policy and HR Policy of the Company.
- D. Removal;** - Due to reason of any disqualification mentioned in the Act or under any other applicable Act, rules and regulation thereunder and as per the rules and code of conduct of the Company, the committee may recommended, to the Board with reason recorded in writing, removal of The Directors, KMPs and Senior Management Personnel subject to the provisions and compliances of the said act, rules and regulations.
- E. Retirement;** - The Directors, KMPs 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 Directors, KMPs and Senior Management Personnel in the same position /remuneration or otherwise even after attaining the retirement age, for the benefit of the company.

8 Compensation Structure

(a) Remuneration to Non-Executive Directors:

The Non-executive Directors of the company are paid remuneration by way of sitting fees only for attending the meetings of the Board of Directors and its Committees. The sitting fees paid to the Non-executive Directors for attending meetings of Board of Directors and Committee of Board of Directors is Rs. 8,500/- per meeting. Beside the sitting fees they are also entitled to reimbursement of expenses. The Non-executive Directors of the Company are not paid any other remuneration or commission.

The sitting fees of the Non-executive Directors for attending meetings of Board of Directors and the Committees of Board of Directors may be modified or implemented from time to time only with the approval of the Board in due compliance of the provisions of Companies Act, 2013.

(b) Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior



Management Personnel (s) (SMPs):

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director / Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration shall be governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards. The remuneration determined for MD/WTDs, KMPs and SMPs are subjected to the approval of the Board of Directors and Shareholders of the company in due compliance of the provisions of Companies Act, 2013. The remuneration for the KMP and the SMP at the time of the appointment has to be approved by the Board but any subsequent increments shall be approved by the Managing Director of the Company as per the HR policy of the Company and ratified by the Board. As a policy, the Executive Directors are neither paid sitting fee nor any commission.

9 Approval and publication

- i. This remuneration policy as framed by the Committee shall be recommended to the Board of Directors for its approval.
- ii. This policy shall be hosted on the Company's website.
- iii. The policy shall form part of Director's report to be issued by the Board of Directors in terms of Companies Act, 2013, or **web link may be provided to the policy in the Board Report in such manner as required under the provisions of the Companies Act, 2013 (Amended with effect from August 13, 2018).**

10 Supplementary provisions

- a. This Policy shall formally be implemented from the date on which they are adopted pursuant to a resolution of the Board of Directors.
- b. Any matters not provided for in this Policy shall be handled in accordance with relevant State laws and regulations and the Company's Articles of Association. If this Policy conflict with any laws or regulations subsequently promulgated by the state or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant state laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for review and adoption.
- c. The right to interpret this Policy vests in the Board of Directors of the Company.

11 Deviations from the policy

(i) Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interest of the company, will be made if there are specific reasons to do so in an individual case.

(ii) *In the event of any conflict in the interpretation of the definition in under clause 3 of this policy, the definition as provided under the relevant regulations of the SEBI (LODR) Regulations, 2015, as amended from time to time, shall prevail. (New insertion with effect from August 13, 2018)*



Approved by the board of Directors in their meeting held on 11.02.2015

First Amendment approved by the Board of Directors in its meeting held on 13.08.2018.

For and on behalf of the Board

SUNIL HEALTHCARE LIMITED


ANIL KUMAR KHAITAN
CHAIRMAN & MANAGING DIRECTOR
DIN: 00759951

Date:

Place: New Delhi

