

AGAPPE DIAGNOSTICS LIMITED
(the “Company”)

NOMINATION AND REMUNERATION COMMITTEE POLICY

This Nomination & Remuneration Policy (“**Policy**”) has been adopted by the Company’s Board of Directors (“**Board**”) in view of Section 178 of Companies Act, 2013 and rules notified thereunder.

1. DEFINITIONS

- 1.1 **Act** means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time;
- 1.2 **Board** means Board of Directors of the Company;
- 1.3 **Key Managerial Personnel (“KMP”)** means
- (i) Managing Director;
 - (ii) Whole-time Director;
 - (iii) Chief Financial Officer;
 - (iv) Company Secretary;
 - (v) such other officer as may be prescribed.
- 1.4 **Senior Management** means 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.

2. PURPOSE

- 2.1 The Nomination and Remuneration Committee (“**the Committee**”) is a committee of the Board of the Company. The Committee’s primary functions are to:-
- (a) identify persons who are qualified to become directors and who may be appointed in senior management of the Company;
 - (b) formulate criteria for determining qualification, positive attributes and independence of a director;
 - (c) recommend to the Board appointment and removal of a director and Senior Management;
 - (d) evaluate the Board’s performance and carry out evaluation of every director’s performance;

- (e) make recommendations to the Board relating to the remuneration for directors, key managerial personnel and other employees.
- (f) ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management to run the Company successfully;
- (g) 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.
- (h) delegate any of its powers to one or more of its members or the secretary of the Committee;
- (i) consider such other key issues or matters as may be referred by the Board or as may be necessary in view of the provisions of the Act and Rules made thereunder.

3. MEMBERSHIP AND TERM

- 3.1 The Committee shall consist of a minimum of 3 (three) directors, all of whom shall be non-executive directors and at least half shall be Independent Director(s).
- 3.2 A quorum shall be two members or any greater number determined by the Committee from time to time.
- 3.3 The duties and responsibilities of a member of the Committee shall be in addition to those duties set out for a director of the Board.
- 3.4 Membership of the Committee shall be disclosed in the annual report including whether a director is independent or non independent.

4. CHAIRMAN

- 4.1 The Chairman of the Committee will be the person appointed as Chairman by the Board. Should the Chairman be absent from a meeting, the members of the Committee present at the meeting shall choose one of the other members of the Committee to Chair that particular meeting.

5. FREQUENCY OF MEETINGS

- 5.1 The Chairman will call a meeting of the Committee if so requested by any member of the Committee.
- 5.2 As a minimum, the Committee shall meet once per year.

6. COMMITTEE MEMBERS' INTERESTS

6.1 A member of the Committee is not entitled to be present when his or her own salary or fee is discussed at a meeting or when his or her performance is being evaluated.

7. **SECRETARY**

7.1 The Company Secretary of the Company shall act as Secretary of the Committee.

8. **VOTING**

8.1 Matters arising for determination at Committee meetings shall be decided by a majority of votes of directors present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

8.2 In the case of equality of votes, the Chairman of the meeting, in addition to his deliberative vote, has a casting vote.

9. **POLICY FOR APPOINTMENT, REMOVAL AND RETIREMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT**

A) Appointment criteria and qualifications

- i) The Committee shall consider the qualification, expertise, experience, integrity, back ground and other qualities of the persons for appointment as director, KMP or at Senior Management level and recommend to the Board his / her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position concerned.
- ii) The Committee shall assess the criteria of independence fulfilled by the appointee in case of recommending a person for appointment / re-appointment as Independent Director.
- iii) The Committee shall consider the appointment of any person who has attained the age of 70 years as Whole-time Director, only 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 such appointment.
- iv) The Committee shall ensure that formal letter of appointment is given to the Independent Directors at time of their appointment.

B) Term / Tenure

- i) The Committee shall recommend the appointment or re-appointment of any person as its executive chairman, managing-director or executive director for a term not exceeding five years at a time.
- ii) The Committee shall recommend appointment or re-appointment of any person as Independent Director for a term upto five consecutive years and also ensuring that no Independent Director is holding office for more than two consecutive terms.
- iii) The Committee shall recommend to the Board, appointment of KMPs / Senior Management as per the provisions of the Act and policy of the Company.

C) Removal

The Committee may recommend, to the Board due to reasons of any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder and the same recorded in writing, removal of a director, KMP or Senior Management personnel subject to the provisions and compliance of the Act, rules and regulations.

D) Retirement

The director, 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 or otherwise, even after attaining the retirement age, for the benefit of the Company.

10. POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

A) Remuneration for Whole-time / Non-Executive / Independent Directors

- i) The remuneration including commission payable to Whole-time Directors will be determined by the Committee in accordance with the provisions of the Articles of Association of the Company and the Act and recommend to the Board for approval, subject to the approval of the shareholders of the Company. The Whole-time Directors shall be eligible for a monthly fixed pay, annual variable pay and other benefits and perquisites in line with the

Company's policies as amended from time to time, subject to applicable laws.

- ii) The Committee shall ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- iii) If in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act.
- iv) Non-Executive Directors and Independent Directors may be paid remuneration by way of commission at the rate of not exceeding 1% of the net profits of the Company calculated in accordance with the provisions of the Company.
- v) Non-Executive and Independent Directors shall receive remuneration by way of fees for attending the meetings of Board and sub-committees of the Board, in which they hold membership / chairmanship as the case may be. Sitting fee payable shall be fixed and approved by the Board within the limits as prescribed in the Act.
- vi) Independent Directors are not entitled to any stock option of the Company.

B) Remuneration for Key Managerial Personnel and Other Employees

- i) The Committee shall take into account the qualification, industry experience, integrity of the appointee, existing remuneration level for similar positions in other companies operating in the same sector etc. while fixing the remuneration payable to the KMPs and Senior Management personnel. The remuneration payable shall be structured in such way that it consists of fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.
- ii) The Committee may also consider giving ESOP to KMPs & Senior Management.

11. PERFORMANCE EVALUATION OF BOARD

- 11.1. As per the provisions of Section 134 and 178 of the Act, the performance of the Board of a Company and directors is to be evaluated annually by the Nomination and Remuneration Committee.

12. POSITIVE ATTRIBUTES

- 12.1. The Positive Attributes aims to set out the approach to achieve qualitative and talented people on the Board as the directors of the Company. Any and all the directors appointed by the Company shall have to fulfill the specifics of the Positive Attributes;
- 12.2. Positive Attribute shall include the following qualities a director should possess:
- (a) well educated to manage day to day business operation of the Company;
 - (b) hardworking and possess adequate leadership skills to attain the Company with new heights;
 - (c) has not been sentenced to imprisonment under the laws of India or abroad and not having any criminal track record;
 - (d) shall devote sufficient time and attention to his professional obligations for informed and balanced decision making;
 - (e) shall be focused towards the Company and shall be generous/open minded towards the team;
 - (f) honest, friendly, helpful to the employees and co-directors of the Company;
 - (g) shall carry adequate communication and analytical skills.

13. **REPORTING**

- 13.1 Proceedings of all meetings are minuted and signed by the Chairman or the chair of the Committee. Minutes of all Committee meetings will be provided to the subsequent Board and Committee meeting.

14. **REVIEW OF THE POLICY**

- 14.1. The Board will review this Policy on a regular basis to ensure its effectiveness;
- 14.2. The Committee will discuss any revisions that may be required, and recommend any such provisions to the Board for consideration and approval.

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