

Aspira Pathlab & Diagnostics Limited

Nomination and Remuneration Policy

I. Introduction:

This Nomination cum Remuneration Policy (“**Policy**”) has been formulated pursuant to Section 178 of the Companies Act, 2013 and the rules made thereunder (collectively, the “**Act**”) and Regulation 19(4) read with Schedule II, Part D, Para A, point 1 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

This Policy lays down the guidelines to be followed in relation to:

- (A) appointment of the directors and key managerial personnel of the Company; and
- (B) fixation of the remuneration of the directors, key managerial personnel and other employees of the Company.
- (C) evaluation of performance of directors, key managerial personnel and other employees of the Company.

The objective of this Policy is to inter-alia:

- (a) attract, recruit and retain good and exceptional talent;
- (b) list down the criteria for determining the qualifications, positive attributes and independence of the directors of the Company;
- (c) ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- (d) motivate such personnel to align their individual interests with the interests of the Company and further the interests of its stakeholders;
- (e) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- (f) fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency and sustained long-term value creation for its stakeholders.

II. Nomination and Appointment:

A. Executive Directors:

1. As per the Act, the Company is required to have a managing director or a chief executive officer or a manager and in their absence, a whole time director.
2. The Company has appointed a managing director in accordance with the applicable laws. If in future, the Committee deems fit to appoint a chief executive officer, or manager or a whole time director for the Company.
3. Process to be adopted for the nomination and appointment of a Managing Director:
 - (a) The Committee will identify and recommend to the Board of Directors of the Company (“**Board**”), person(s) who is qualified and eligible for appointment as the Managing Director of the Company, provided such person(s) meets the criteria set out under this Policy.
 - (b) The appointment of a Managing Director will be subject to execution of formal agreement between the Company and the Managing Director.
 - (c) The person(s) so identified and recommended by the Committee to the Board, for appointment as the Managing Director, and the agreement setting out the terms and conditions of his/her appointment and remuneration, will be subject to approval of the Board and of the shareholders at the next general meeting of the Company.
4. For a person to be appointed as a Managing Director (“**Candidate**”), he/she should fulfil/meet the criteria specified in the Act.
 - (a) The Candidate should not be holding office as a director or any other office in a competing firm/entity.
 - (b) The Candidate should possess the following minimum qualification and experience:
 - (i) He/she should hold a graduate degree and qualification from a reputed institution.

- (ii) He/she should have atleast 5 years of experience in business administration and management, with atleast 2 years of experience in field of pathology and Diagnostics.
- (iii) He/she should hold senior management positions for atleast 2 years.

B. Non-Executive Directors:

1. The Company shall comply with the provisions of the Act and Listing Regulations in terms of composition of the Board on basis of gender, ratio of non-executive to executive directors and the number of independent directors.
2. Process to be adopted for the nomination and appointment of non-executive directors:
 - (a) The Committee will identify and recommend to the Board, person(s) who is qualified and eligible for appointment as a non-executive director of the Company (“**Non-Executive Director**”), not being an independent director of the Company (“**Independent Director**”), provided such Non-Executive Director meets the criteria set out under this Policy.
 - (b) The person(s) so identified and recommended by the Committee to the Board, for appointment as a Non-Executive Director, and remuneration, will be subject to approval of the Board, and of the shareholders at the general meeting of the Company.
 - (c) The Committee will also consider and provide its inputs on the appointment to the Board of an alternate director, small shareholders’ director and a nominee director.
3. For a person to be appointed as a Non-Executive Director (“**Candidate**”), he/she should fulfil/meet the criteria specified in the Act and Listing Regulations.

The Candidate should possess the following minimum qualification and experience:

- (i) He/she should be a post graduate/ professional degree from a reputed institution.
- (ii) He/she should have atleast 5 years of experience in business administration and management

C. Independent Directors:

1. The Company shall comply with the provisions of the Act and Listing Regulations in terms of appointment of independent directors.
2. Process to be adopted for the nomination and appointment of an Independent Director:
 - (a) The Committee will identify and recommend to the Board, person(s) who is qualified and eligible for appointment as an Independent Director of the Company, provided such person(s) meets the criteria set out under this Policy.
 - (b) The Committee may also select the Independent Director from a data bank containing names, addresses and qualifications of persons who are eligible and willing to act as independent directors, maintained by an authorised agency as per the Act. However, the Committee will nonetheless carry out its own verification and satisfy itself as to the candidature of the Independent Director.
 - (c) The appointment of an Independent Director will be subject to issuance by the Company of a formal letter of appointment in the manner provided by the Act.
 - (d) The person(s) so identified and recommended by the Committee to the Board, for appointment as the Independent Director, and the terms and conditions of his/her appointment and remuneration will be subject to approval of the Board, and of the shareholders at the next general meeting of the Company.
3. For a person to be appointed as an Independent Director (“**Candidate**”), he/she should fulfil/meet the following criteria:
 - (a) The Candidate should not be disqualified to act as an Independent Director pursuant to the provisions of the Act.
 - (b) The Candidate should possess the following minimum qualification and experience:
 - (i) He/she should hold one or more graduate or a post graduate degree in finance, law, marketing, sales, administration, research, management, corporate governance or business management from a reputed institution.

- (ii) He/she should have at least 5 years of experience in his/her field of specialisation(s).

D. Key Managerial Personnel:

1. As per section 203 of the Act and rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company is required to appoint the following whole time key managerial personnel:
 - (a) managing director, or chief executive officer or manager and in their absence, a whole-time director;
 - (b) company secretary; and
 - (c) chief financial officer.

2. The Company currently appoints on its Board, a Managing Director. Apart from the Managing Director, the Company has also appointed a Chief Executive Officer, Chief Financial Officer and a Company Secretary.

A 'chief financial officer' would mean a person appointed as the chief financial officer of a company.

A 'company secretary' would mean a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980, and who is appointed by a company to perform the functions of a company secretary under the Act.

3. Process to be adopted for the nomination and appointment of a Chief Financial Officer:
 - (a) The Audit Committee and Nomination and Remuneration Committee will identify and recommend to the Board, person(s) who is qualified and eligible for appointment as a Chief Financial Officer.
 - (b) The appointment of the Chief Financial Officer will be subject to issuance by the Company of a formal letter of appointment in the manner provided by the Act.
 - (c) The person(s) so identified and recommended by the Committee to the Board, for appointment as a Chief Financial Officer, and the letter of appointment setting out the terms and conditions of his/her appointment and remuneration, will be subject to approval of the Board.
4. For a person to be appointed as a Chief Financial Officer (“**Candidate**”), he/she should fulfil/meet the following criteria:

- (a) The Candidate should hold a finance degree from a reputed institution.
 - (b) The Candidate should have atleast 10 years of experience in finance.
 - (c) The Candidate should not be employed or holding any position as a chief financial officer or any other post in any other firm/entity, except the Company's subsidiary company at the same time.
5. Process to be adopted for the nomination and appointment of a Company Secretary:
- (a) The Committee will identify and recommend to the Board, person(s) who is qualified and eligible for appointment as a Company Secretary.
 - (b) The appointment of the Company Secretary will be subject to issuance by the Company of a formal letter of appointment in the manner provided by the Act.
 - (c) The person(s) so identified and recommended by the Committee to the Board, for appointment as a Company Secretary, and the letter of appointment setting out the terms and conditions of his/her appointment and remuneration, will be subject to approval of the Board.
6. For a person to be appointed as a Company Secretary ("**Candidate**"), he/she should fulfil/meet the following criteria:
- (a) The Candidate should be a qualification company secretary under Company Secretaries Act, 1980.
 - (b) The Candidate should not be a 'company secretary in practice'.

'company secretary in practice' would mean a company secretary who is deemed to be in practice under sub-section (2) of section 2 of the Company Secretaries Act, 1980.
 - (c) The Candidate should not be employed or holding any position as a company secretary or any other post in any other firm/entity, except for the Company's subsidiary company at the same time.
 - (d) The Candidate should have atleast 1 year of experience in secretarial and compliance.

III. Evaluation:

The reappointment or extension of term and the remuneration of Executive Directors and Non-Executive Directors, Independent Directors will be as per the performance evaluation report pursuant to the performance evaluation carried out by the Board (excluding the director being evaluated). The criteria for such performance evaluation shall be determined by the Committee and the Board.

IV. Remuneration:

A. Executive Directors:

1. The Committee to recommend the remuneration, including perquisites, performance linked pay of the Managing Director to Board for its approval.
2. Such remuneration shall be subject to approval of the shareholders of the Company, in the next general meeting.

B. Non-Executive Directors:

The Committee to recommend the remuneration including commission of the Non-Executive Directors to the Board for its approval, and will be subject to approval of the shareholders of the Company, if required.

The Non-Executive Directors will be paid sitting fees of such amounts as may be determined from time to time and upto such amount, as may be decided by the Board and the shareholders, if required.

C. Independent Directors:

1. The Committee to recommend the remuneration including commission of the Independent Directors to the Board for its approval, and will be subject to approval of the shareholders of the Company.
2. The Independent Directors will be paid sitting fees of such amounts as may be determined from time to time and upto such amount, as may be decided by the Board and the shareholders, if required.
3. The Independent Directors will not be entitled to any stock options.

D. Key Managerial Personnel:

1. The Committee to recommend the remuneration of the Company Secretary and Chief Financial Officer to the Board for its approval.
2. Increment for each year will be determined by the Committee based on the performance evaluation report.

E. Senior Employees:

1. The Committee to determine the remuneration of the senior employees of the Company, other than whole time key managerial personnel.
2. Increment for each year will be determined by the Committee based on the performance evaluation conducted.

V. General:

1. The Board shall at all times comply with the constitutional requirements of the Board and Committee under the Act and Listing Regulations.
2. The office of any whole-time KMP, if vacated, shall be filled-up by the Board within a period of six months from the date of such vacation. The Committee will initiate the process of identifying and recommending new candidates to fill the vacancy created by such resigning whole time key managerial personnel.
3. The office of Independent Director, if vacated, shall be filled-up by the Board within a period not later than next meeting or three months, whichever later from the date of such vacation. The Committee will initiate the process of identifying and recommending new candidates to fill the vacancy created by such resigning independent directors.
4. The annual remuneration paid to the employees of the Company will consist of fixed or fixed and variable component based on the individual performance of the employee in achieving their individual objective and the performance of the Company.
5. Any amendment to this Policy shall be considered by the Committee and recommended to the Board for its approval.
6. In the event of any conflict between the provision of this Policy and any law in force for the time being, the provisions of such laws, shall supersede.