# RPG Life Sciences Limited

# Nomination and Remuneration Policy

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## 1. Introduction / Objective:

This policy has been formulated in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to the appointment and remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees and Board diversity.

This Policy sets out the guiding principles on:

I. Appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management Personnel;

II. Qualifications, positive attributes and independence for appointment of a director and assessment of independence of Independent Director ('ID');

III. Performance evaluation of all Directors;

IV. Core skills / expertise / competencies required of the Board of Directors of the Company.

V. Board Diversity.

## 2. Definitions:

I. "**Applicable Laws**" means the Companies Act, 2013 and Rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time.

II. **"Board**" means Board of Directors of the Company.

III. **"Company"** means RPG Life Sciences Limited.

IV. **"Directors"** means Directors of the Company.

V. **"Independent Director" ('ID')** shall have the same meaning as defined under Section 149(6) of the Act read with rules made thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

VI. **"Non-executive Directors" ('NED')** means a member of a Company's Board of Directors who is not in whole-time employment of the Company.

VII. **"Key Managerial Personnel" ('KMP')** mean:

- the Managing Director (MD) or Manager;
- the Company Secretary ('CS');
- the Whole-time Director ('WTD');
- the Chief Financial Officer ('CFO');
- Such other officer, designated as key managerial personnel by the Board, who is in whole-time employment at a level not more than one level below the directors.

VIII. **"Senior Management Personnel" ('SMP')**

For the purpose of this Policy means officers and personnel who are members of the core management team excluding Board of Directors and shall also comprise all members of Management one level below the Managing Director or Whole-time Director or Managers (including Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads ("Core management team"), by whatever name called and persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and 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.

## 3. Diversity in the Board of Directors:

Diversity refers to the variety of attributes of diverse nature between people and encompasses acceptance, respect and an understanding that everyone is unique. These aspects include age, gender, ethnicity, physical abilities, marital status, ideologies, background, knowledge and skills with a view to achieving a sustainable development, the Company shall aim to increase diversity at the Board level as an essential element in terms of:

- Experience of diverse nature;
- Gender in having the right representation of female members to also ensure statutory compliance as applicable;
- Qualifications, Knowledge and core skills/ expertise / competencies required of the Board of Directors in context of company's business/ sector.

Diversity at the Board level shall be used as a tool for supporting the attainment of the strategic objectives of the Company and also to drive business results. Accordingly, while designing the composition of the Board, diversity shall be considered on all aspects and all appointments shall be based on the above parameters.

The Company is committed to meritocracy and shall respect diversity within the Board members and shall have an inclusive culture where all view shall be heard and all opinions respected.

## 4. Requirements relating to Directors:

### A. Appointment of Directors

The Nomination and Remuneration Committee ('NRC') shall evaluate the balance of skills, knowledge and experience on the Board and for this purpose, NRC shall also consider factors such as qualification and experience, positive attributes, disqualification etc. Basis such evaluation, NRC may also prepare a description of the role and capabilities required for an ID.

For the purpose of identifying suitable candidates for Independent Directorship, the NRC may:

a) use the services of an external agencies, if required;
b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
c) consider the time commitments of the candidates.

The Company shall upon recommendations of NRC, appoint those persons as Director who possess requisite qualifications and experience and positive attributes within overall framework of diversity as described in this Policy.

**B. Qualifications and Experience**

I. Any person to be appointed as a Director on the Board of Directors of the Company, including Independent Director shall, in addition to a formal professional qualification should possess appropriate skills, experience and knowledge in one or more fields viz. CEO / Senior Management Experience, General Management and Business Operations, Business Development, Strategy / M&A / Restructuring, Accounting / Finance / Legal, Risk Management, Public Policy, sciences, actuarial sciences, banking, finance, economics, law, management, sales, human resource, marketing, administration, research, corporate governance or technical operations etc. or such other skills as may be identified by the Board of Directors, on recommendation from NRC, from time to time.

II. Any person to be appointed as a Director on the Board of the Company shall be such person who shall be able to provide policy directions to the Company including directions on good corporate governance.

**C. Positive attributes**

The person to be appointed as a Director of the Company shall, in addition to the formal qualifications and relevant experience described in this Policy, shall also possess the attributes such as integrity, leadership, business orientation, commitment and proven track record and such other attributes, which in the opinion of the NRC are in the interest of the Company.

**D. Disqualification**

Any person to be appointed as Director shall not possess any disqualifications as prescribed under the Applicable Laws.

**E. Evaluation**

I. The NRC shall facilitate the Board to undertake evaluation of performance of all Directors on yearly basis including making recommendations to the Board on appropriate performance criteria for the Directors and formulating criteria and framework for evaluation of every Director's performance.

II. The Board shall evaluate, every year, its performance along with that of the individual directors including Chairman, IDs, independence of IDs and of its Committees.

III. The Company may appoint an external agency to conduct the exercise of evaluation and submit the report / outcome to the Company, in the manner desired by the Company.

**F. Familiarisation Programme**

The Company shall familiarise the independent directors of the Company with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company through various programmes.

**5. Requirement relating to Key Management Personnel and Senior Management Personnel:**

**A. Appointment of KMP and SMP**

I. Based on the recommendation of NRC, the appointment of the MD, WTD, CFO and the CS shall be approved by the Board of Directors by means of a resolution.

II. KMP and SMP shall be employed by the Company only on a whole-time basis and they will not be permitted to take up employment anywhere else, except in the subsidiary of the Company with prior approval of the Board of Directors.

III. Based on the recommendation of NRC, the appointment and remuneration payable to a SMP shall be approved by the Board of Directors by means of a resolution.

**B. Qualifications and experience**

I. Any person to be appointed as KMP or as SMP shall possess relevant educational, professional qualifications, experience and domain knowledge required for performing the job for which they are appointed.

II. There shall be no discrimination on account of gender, race and religion in terms of appointment as KMP or SMP

**C. Positive Attributes**

I. KMP and the SMP shall also possess attributes like decision making skills, leadership skills, integrity and proven track record and shall demonstrate commitment to the organisation.

II. KMP and SMP shall meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision making.

**D. Performance Evaluation**

I. MD shall carry out the performance evaluation of all the SMPs and KMPs excluding himself / herself and the WTD.

II. The evaluation process adopted by the Company shall always consider the appropriate benchmarks set as per industry standards, performance of the industry, the Company and of the individual KMP / SMP.

III. Evaluation of performance shall be carried out at least once in a year, in accordance with the existing evaluation process of the Company.

**6. Remuneration:**

**Guiding Principles**

I. The terms of employment and remuneration of MD, WTD, KMPs, Directors and SMPs shall be competitive in order to ensure that the Company can attract and retain competent talent.

II. The Remuneration Policy shall ensure that:

a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMPs and SMPs of the quality required to run the Company successfully.

b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

c) Remuneration to Directors, KMPs and SMPs involves a balance between fixed and variable pay reflecting short and long-term performance objectives and goals set by the Company.

d) Remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

III. While determining the remuneration and incentives for the MD / WTD, KMPs and SMPs, the following shall be considered:

a) Pay and employment conditions with peers / elsewhere in the competitive market.

b) Benchmarking with the industry practices.

c) Performance of the individual.

d) Company Performance

IV. For the benchmarking with Industry practice, criteria of size, complexity, data transparency and geographical area shall also be given due consideration.

V. The pay structures shall be appropriately aligned across levels in the Company.

**7. Remuneration Policy:**

**A. MD / WTD**

I. Remuneration to the MD and WTD at the time of his / her appointment shall be proposed by the NRC and subsequently approved by the Board of Directors and the shareholders of the Company or Central Government, whenever required and shall not exceed the limits mentioned under applicable laws.

II. Annual increments / subsequent variation in remuneration to the MD and WTD shall be approved by the NRC / Board of Directors, within the overall limits approved by the shareholders of the Company or Central Government.

III. Remuneration shall be evaluated annually against performance and a benchmark of international and domestic companies, which are similar in size and complexity. Benchmark information shall be obtained from internationally recognised compensation service consultancies.

IV. Total remuneration for the MD and WTD shall be comprised of the following:

a) Salary (both fixed and variable);
b) Perquisites;
c) Performance linked Bonus;
d) Retirals benefits

It shall be ensured that total remuneration payable to MD and WTDs shall not exceed the limits mentioned under the Applicable Laws.

**B. NEDs**

I. NEDs shall be entitled to such sitting fees as may be decided by the Board from time to time for attending the meeting of the Board and of the Committee thereof.

II. NEDs shall also be entitled for payment of remuneration/ commission as may be recommended by NRC and subsequently approved by the Board of Directors, up to the limits permitted under the applicable Laws and wherever required approval of the shareholders of the Company shall be obtained from time to time.

III. IDs shall not be eligible for any Stock Options, pursuant to any Stock Option Plan adopted by the Company.

IV. NEDs shall be eligible for remuneration of such professional services rendered if in the opinion of the NRC, the NED possesses the requisite qualification for rendering such professional services in accordance with applicable laws.

**C. SMPs and KMPs (other than MD / WTD)**

I. Remuneration packages shall be designed in such manner that:

a) Motivates delivery of key business strategies, creates a strong performance orientated environment and rewards achievement of the Company's objectives and goals over the short and long-term.

b) Attracts high-flier executives in a competitive global market and remunerate executives fairly and responsibly.

II. Remuneration shall be competitive and shall include salary comprising of both fixed and variable components, performance incentives and other benefits as per the policy of the Company, considering relevant qualification, experience and performance of the individual as well as the prevailing market conditions.

III. The remuneration in whatever form payable to the KMPs and SMPs at the time of his / her appointment shall be recommended by the NRC and approved by the Board considering relevant qualification, experience and performance of the individual as well as the prevailing market conditions. The remuneration may be a combination of fixed and variable pay.

IV. Remuneration shall be evaluated annually, and annual increase shall be decided considering the performance of the individual and also of the Company. Industry practices / trends shall also be given due consideration. Annual increment / subsequent variation in remuneration to the KMPs / SMPs shall be approved by the NRC / the Board of Directors.

V. Remuneration can be reset at any time considering the benchmark of international and domestic companies, which are similar in size and complexity to the Company. Benchmark information shall be obtained from internationally recognised compensation service consultancies.

VI. NRC may consider grant of Stock Options to KMPs and SMPs pursuant to any Stock Option Plan adopted by the Company.

**D. Director and Officer Liability Insurance**

a) The Company may provide an insurance cover to Directors, KMPs and SMPs for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust and the premium paid on the same shall not be treated as a part of remuneration paid to them.

b) The premium paid by the Company for such insurance cover, called for Directors and Officers Liability Insurance Policy, taken for the above purpose shall be paid by the Company without any charge to the Directors, KMPs and SMPs.

## 8. Disclosures:

This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in its Annual Report.

## 9. Amendments to the policy:

The Board of Directors may amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail notwithstanding the provisions hereunder from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

**Document History**

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