

**KIMIA BIOSCIENCES LIMITED**  
**(CIN: L24239HR1993PLC032120)**

**1. INTRODUCTION:**

The Board of Directors (the “Board”) of Kimia Biosciences Limited (the “Company or “Kimia”) has adopted the following policy and procedures with regard to Nomination and Remuneration.

In terms of the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges (as amended from time to time), this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management has been formulated by the Nomination and Remuneration Committee (“NRC”) and approved by the Board of Directors of the Company.

**2. APPLICABILITY:**

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

**3. DEFINITIONS:**

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

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

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

“**Key Managerial Personnel**” means

- a) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole Time Director;
- b) Chief Financial Officer;
- c) Company Secretary; and
- d) 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.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined under the Companies Act, 2013 as may be amended from time to time.

#### **4. NOMINATION AND REMUNERATION COMMITTEE (NRC)**

The Board of Directors shall constitute of at least three directors;

- a) The NRC shall comprise of at least three directors.
- b) all directors of the NRC shall be non-executive directors; and atleast two third of directors shall be Independent Directors and in case of a listed entity having outstanding SR equity shares, two third of the NRC shall comprise of Independent Directors.

The Chairperson of the NRC shall be an Independent Director:

Provided that the Chairperson of the Company, whether executive or non-executive, may be appointed as a member of the NRC but shall not chair such Committee.

The quorum for a meeting of the NRC shall either two members or one-third of the members of the Committee, whichever is greater, including atleast one independent director in attendance.

A) The NRC shall meet at least once in a year.

B) The role of the NRC shall be specified as Part D of Schedule II of the LODR Regulations.

C) The NRC shall be responsible for:

- (i) Formulation of the criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the directors, KMPs, Senior Management Personnel and Other Employees;
- (ii) For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a) Use the services of an external agencies, if required.
  - b) Consider candidates from a wide range of background, having due regard to diversity; and

- c) Consider the time commitments of the candidates.
  - (iii) Identifying persons who are qualified to become directors and who may be appointed as the KMP's or in the Senior Management of the Company in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
  - (iv) Reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board and making recommendations on any proposed changes to the Board to complement the Company's Corporate Strategy, with the objective to diversify the Board;
  - (v) Making recommendation to the Board on the remuneration payable to the Directors/ KMPs/ Senior Management Personnel;
  - (vi) Formulation of criteria/ manner for evaluation of performance of Board of Directors, its Committees, individual directors including Independent Directors;
  - (vii) Assessing the Independence of Independent Directors;
  - (viii) To make recommendation 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 applicable laws and their service contract;
  - (ix) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
  - (x) To devise a policy on Board diversity;
  - (xi) To develop a succession plan for the Board and to regularly review the plan.
  - (xii) Such other key issues/matters as may be referred/delegated by the Board or as may be necessary in view of the Listing Regulations and provisions of the Act and Rules thereunder and any subsequent amendments thereto;
- D) Matters arising for determination at meetings of the Nomination and Remuneration Committee shall be decided by a majority of votes of members present and voting and any such decision for all purposes be deemed to be a decision of the Committee.

5) **POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGEMENT PERSONNEL AND SENIOR MANAGEMENT.**

D) **APPOINTMENT CRITERIA AND QUALIFICATION:**

- a) The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director or Key Managerial Personnel or Senior Management and recommend to the Board for 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 is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any director as Whole Time Director who has attained the age of seventy years. Provided that the term of a person holding such office may be extended beyond the age of 70 years with the approval of the shareholders by passing a special resolution. The explanatory statement to be annexed to the notice for passing of such special resolution should indicate the justification for extension of appointment of such person beyond seventy years.

I. **TERM / TENURE:**

a) **Managing Director / Whole Time Director:**

The Company shall appoint or re-appoint any person as its Managing Director / Whole Time Director for a term not exceeding five years at a time.

b) **Independent Director:**

An Independent Director hold office for a term upto 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 upto maximum 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.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-Time Director of a listed company or such other number as may be prescribed in the Act.

II. EVALUATION:

The Committee shall carry out evaluation of performance of every director, key managerial personnel and senior management at annual intervals.

III. REMOVAL:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules or regulations there under, the Committee may recommend, to the Board with reasons recorded in writing , removal of a Director, Key Managerial Personnel and/or Senior Management Personnel subject to the provisions of the Act, rules and regulations of the said Act.

IV. RETIREMENT:

The Director, Key Managerial Personnel and Senior Management Personnel shall retire as per the applicable provisions of the Act. The Board may have the discretion to retain a Director, Key Managerial Personnel and/or Senior Management Personnel in the same position / remuneration or otherwise, even after attaining the retirement age, for the benefit of the Company.

5. **POLICY FOR REMUNERATION TO DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL:**

A. **Remuneration to Managing/Whole-time/Executive/Managing Director, Key Managerial Personnel and Senior Management Personnel:**

The Remuneration/ Compensation/ Commission etc. to be paid to Director / Managing Director etc. shall be governed as per the provisions of the Companies Act, 2013 and the rules made there under or any other enactment for the time being in force.

B. **Remuneration to Independent Directors:**

The Non-Executive Independent Director may receive sitting fees subject to ceiling / limits as provided under the Companies Act, 2013 and rules made there under of any other enactment for the time being in force.

C. **ROLES AND RESPONSIBILITIES IN RELATION TO NOMINATION MATTERS:**

- a) Ensure that there is appropriate induction/policy in place for new Directors and members for 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 Act;
- c) Identifying and determining the Directors who are to retire by rotation.

- d) Determining the appropriate size, diversity and composition of the Board;
- e) Evaluating the performance of the Board Members and Senior Management in the context of the Company's performance from compliance and business perspective;
- f) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the termination or suspension of service of an Executive Director as employee of the Company subject to the provision of the law.
- g) Recommend any necessary changes to the Board.
- h) Considering any other matters, as may be requested by the Board.

**D. IN RELATION TO REMUNERATION MATTERS:**

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

- a) Considering and determining 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.
- b) Approving the remuneration of the Senior Management including key managerial personnel of the Company, and maintain a balance between objectives appropriate to the working of the Company.
- c) Delegating any of its powers to one or more of its members or the Secretary of the Committee.
- d) Considering any other matters as may be requested by the Board.

**6. REVIEW AND AMENDMENT**

- a) The Committee or the Board may review the Policy as and when it deems necessary.
- b) The Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementations to this Policy, if it thinks necessary.
- c) This Policy may be amended or substituted by the Committee or by the Board as and when required where there is any statutory change necessitating change in the policy.