

Nomination & Remuneration Policy

1. Introduction

A transparent, fair and reasonable process for determining the appropriate remuneration at all levels of Banka BioLoo Limited (the Company) is required to ensure that shareholders remain informed and confident in the management of the Company. To harmonize the aspirations of human resources, consistent with the goals of the Company, and in terms of the provisions of the Companies Act, 2013 and the rules made thereunder, and the Listing Regulations, as amended from time to time, this policy on nomination and remuneration of Directors (including non-executive directors) on the Board of Directors, the Key Managerial Personnel (KMP) and Senior Management, has been formulated by the Committee and approved by the Board of Directors. This Policy shall act as a guideline for determining, inter alia, qualifications, positive attributes and independence of a director, matters relating to the remuneration, appointment, removal and evaluation of performance of the directors (including non-executive directors), Key Managerial Personnel and Senior Management Personnel.

2. Objective of the Policy

- (i) The objective of this Policy is to outline a framework to ensure that the Company's remuneration levels are aligned with industry practices and are sufficient to attract and retain competent directors on the Board, KMP, and senior management personnel of the quality required, for Banka BioLoo Limited, allowing fair rewards for the achievement of key deliverables and enhanced performance.

The key objectives of this Policy include:

- (i) Guide the Board in relation to appointment and removal of directors, key managerial personnel and senior management;
 - (ii) Evaluate the performance of the members of the Board, and provide necessary report to the Board for further evaluation of the Board;
 - (iii) Recommend to the Board, the remuneration payable to the directors, and set forth a policy for determining remuneration payable to KMP and senior management personnel.
- (ii) While determining the remuneration for the directors (including non-executive directors) and KMP and senior management personnel, regard should be had to prevailing market conditions, business performance and practices in comparable companies, also to financial and commercial health of the Company, as well as prevailing laws and other guidelines.
 - (iii) While designing the remuneration package, it should be ensured:

- (i) That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the person, to ensure the quality required to run the Company successfully;
 - (ii) That there is a balance between fixed and incentive pay, reflecting short- and long-term performance objectives, appropriate to the working of the Company and its goals.
- (iv) Some part of the remuneration package may be linked to the achievement of corporate performance targets of the Company, and a strong alignment of interest with stakeholders.
- (v) The Committee may consult the chairman of the Board as it deems appropriate.
- (vi) The Committee shall observe the set of principles and objectives, as envisaged in the Companies Act, 2013 (“Act”) (including Section 178 thereof), rules framed thereunder and Listing Regulations, including, principles pertaining to determining qualifications, positive attributes, integrity and independence.
- (vii) In this context, the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors.

3. Effective Date

This Policy shall be effective from the date of its adoption by the Board.

4. Definitions

- (a) In this Policy, unless the context otherwise requires:
- (i) **‘Board of Directors’ or ‘Board’**, in relation to the Company, means the collective body of the directors of the Company.
 - (ii) **‘Committee’** means Nomination and Remuneration Committee of the Company, as constituted or reconstituted by the Board.
 - (iii) **‘Company’** means “Banka BioLoo Limited”.
 - (iv) **‘Independent Director’** means a director referred to in Section 149(6) of the Companies Act, 2013, read with Listing Regulations.
 - (v) **‘Key Managerial Personnel’ (KMP)** shall have the meaning ascribed to it in the Act and the rules made thereunder.
 - (vi) **‘Non-Executive Directors’** includes Independent Directors.
 - (vii) **‘Policy’** means Nomination and Remuneration policy.

(viii) **'Senior Management Personnel'** for this purpose shall mean personnel of the Company, who are members of its core management team, excluding the Board of Directors. It would comprise all members of management, one level below the executive directors, including the functional heads.

(b) Unless the context otherwise requires, words and expressions used in this Policy, and not defined herein but defined in the Companies Act, 2013 and/ Listing Regulations, as may be amended from time to time, shall have the meaning respectively assigned to them therein.

5. Applicability

This Policy is applicable to:

- (i) Directors, including Non-Executive Directors
- (ii) Key Managerial Personnel
- (iii) Senior Management Personnel

6. Membership

- (a) The Committee shall consist of such number of directors, as required under applicable laws.
- (b) Membership of the Committee shall be disclosed in the Annual Report and on the website of the Company.
- (c) Term of the Committee shall be continuous, unless terminated by the Board of Directors.

7. Chairman

- (a) Chairman of the Committee shall be an Independent Director.
- (b) Chairperson of the Company (whether executive or non-executive) may be appointed as a member of the Committee, but shall not be the Chairman of the Committee.
- (c) Chairman of the Nomination and Remuneration Committee meeting shall be present at the Annual General Meeting, or may nominate some other member to answer the shareholders' queries.

8. Frequency of Meetings

The meeting of the Committee shall be held at such intervals as may be required.

9. Committee Members' Interests

- (a) A member of the Committee is not entitled to be present, when one's own remuneration is discussed at a meeting, or when one's performance is being evaluated.
- (b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

10. Secretary

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

11. Quorum

The quorum necessary for transacting business at a meeting of the Committee shall be two members, or one-third of the members of the Nomination and Remuneration Committee; whichever is greater.

12. Voting

- (a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present. Any such decision shall, for all purposes, be deemed a decision of the Committee.
- (b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

13. Responsibilities of the Committee

The Committee is responsible for:

- (i) Formulating criteria for determining qualifications, positive attributes and independence of a director for the purpose of this Policy;
- (ii) Advising the Board on issues concerning principles of remuneration and other terms of employment, including remuneration of the directors (including non-executive directors), KMP, and the senior management;
- (iii) Monitoring and evaluating programs for variable remuneration, both on-going and those that have ended during the year, for the directors (including non-executive directors), KMP and the senior management;
- (iv) Monitoring and evaluating the application of this Policy;
- (v) Monitoring and evaluating current remuneration structures and levels in the

Company; and

- (vi) Any other responsibility, as determined by the Board.

14. Appointment of Directors, KMP or Senior Management Personnel

- (a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as a director, KMP and/or senior management personnel.
- (b) A person should possess adequate qualifications, expertise and experience for the position one is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- (c) Appointment of directors, KMP and senior management personnel is subject to compliance of provisions of the Companies Act, 2013, and compliance of Listing Regulations.
- (d) The appointment of a director or a KMP, as recommended by the Nomination and Remuneration Committee, further requires the approval of the Board.

15. Remuneration

(a) Remuneration to Executive Directors, Directors other than Executive Director

- (i) The remuneration/ compensation/ commission etc. to directors will be determined by the Committee and recommended to the Board for approval. The remuneration/ compensation/ commission etc. shall be subject to the prior/post approval of the shareholders of the Company and central government, wherever required.
- (ii) The remuneration and commission to be paid to directors shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- (iii) Increments to the existing remuneration/ compensation structure of directors shall be recommended by the Committee to the Board, which should be within the slabs approved by the shareholders in the case of directors.
- (iv) Where any insurance is taken by the Company on behalf of its directors

for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

(b) Remuneration to Executive Director

Fixed pay

Executive Directors are eligible for a monthly remuneration, as may be approved by the Board, on the recommendation of the Committee, in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

The break-up of the pay scale and quantum of perquisites, including, the employer's contribution to Employees' Provident Fund, pension scheme, medical expenses, club fees, etc. shall be decided and approved by the Board, on the recommendation of the Committee and approved by the shareholders and central government, wherever required.

Variable components

The Executive Directors may be paid performance-linked commission, within the overall limits as approved by the shareholders.

(c) Remuneration to Directors, other than Executive Director

Sitting Fees

The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board, or committees thereof.

Provided that the amount of such fees shall not exceed the maximum amount, as provided in the Companies Act, 2013, per meeting of the Board or committee, or such amount, as may be prescribed by the Central Government from time to time.

(d) Remuneration to KMP and Senior Management Personnel

- (i) The remuneration payable to KMP and senior management personnel, including their increments, will be determined by the Managing Director and recommended to the Nomination and Remuneration Committee for approval.
- (ii) Where any insurance is taken by the Company on behalf of its KMP and senior management personnel for indemnifying them against any liability,

the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

(iii) Remuneration

(i) Fixed pay

KMP and senior management shall be eligible for a monthly remuneration, as may be approved by the Committee, in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

The break-up of the pay scale and quantum of perquisites including, the employer's contribution to EPF, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Committee.

(ii) Variable components

Based on the performance, KMP and senior management personnel can be paid incentives.

16. Policy on Board Diversity

- (a) The Board of Directors shall have the optimal combination of directors from different areas/ fields, or as may be considered appropriate.
- (b) The Board shall have at least one member, who has accounting or related financial management expertise.

17. Removal

The Committee may recommend, to the Board, with reasons recorded in writing, removal of a director, KMP, and senior management, subject to the provisions and compliance of the applicable Act, rules and regulations, if any.

18. Disclosure Of Information

This Policy shall be disclosed in the Board's report.

19. Deviation from the Policy

The Board may, in individual or collective case, deviate from this Policy, in its absolute discretion, if there are particular reasons to do so. In the event of any departure from the Policy, the Board shall record the reasons for such departure in the Board's minutes.

20. Amendments to the Policy

The Board of Directors, on its own and/or as per the recommendations of the Nomination and Remuneration Committee, can amend this Policy, as and when deemed fit.

In case of any amendment, clarification, circular, etc. issued by the relevant authorities, not being consistent with the provisions laid down in this Policy, then such amendment, clarification, circular, etc. shall prevail upon the provisions hereunder, and this Policy shall stand amended accordingly from the effective date, as laid down under such amendments, clarifications, circulars etc.

This policy was adopted by the Board of Directors, in their meeting held on 27 July 2020, as per the recommendations of the Nomination & Remuneration Committee, vide their meeting held on 27 July 2020.
