



## **Nomination & Remuneration Committee Mandate Fortis Healthcare Limited**

**Type: Governance Document**

**Owner: Board of Directors**

**Custodian: CHRO/ Corporate  
Secretarial**

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The **Nomination and Remuneration Committee** (hereinafter referred to as Committee) **Mandate** of **Fortis Healthcare Limited** (hereinafter referred to as Company) has been formulated inter alia for nomination and remuneration of Directors, Key Managerial Personnel (KMPs), Senior Management (SMs) Personnel of Fortis Healthcare Limited in accordance with the requirements of the provisions of section 178 of Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 .

**1. Purpose:**

The purpose of Nomination & Remuneration Committee of the Board of Directors of the Company shall be to:

- assist the Board in discharging its responsibilities relating to compensation of the Company's Directors, Key Managerial Personnel (KMPs) and other employees;
- formulate the criteria for determining qualifications, positive attributes and independence of a director and for performance evaluation of the Board, its directors on the Board and its Committees;
- formulate criteria for the Company's nomination process for appointment of KMP's and Senior Management (SMs);
- recommend appointment and removal of Directors and KMPs.
- recommend a policy on Board diversity.
- any other matter pertaining to oversight on human resource management that the Board so directs.

*The purpose and responsibilities of the Committee shall include such other items as may be prescribed by applicable law or by the Board in compliance with applicable laws from time to time.*

**2. Composition:**

The Committee shall consist of at least three directors, all directors of the committee shall be non-executive directors and at least fifty percent of the directors shall be independent directors.

The Chairperson of the Committee shall be an Independent Director. The Chairperson of the Board, (whether executive or non-executive) shall not chair the Committee but can be a member of the Committee. The Chairperson of the Committee, or in his/her absence, any other member of the committee authorized by the Chairperson of the committee, shall attend general meetings of the Company.

**3. Meetings:**

- The Committee shall meet at least once a year or as may be deemed necessary.
- The Company Secretary shall act as Secretary for the meetings.
- The Company Secretary shall make the agenda for the meeting in consultation with the Chairperson of the Committee.
- The Company Secretary shall record the minutes of the meeting and shall present to the Committee for their approval in subsequent meeting.
- The quorum for the Committee meeting shall be one third of its total strength or two members of the Committee whichever is higher with at least one independent Director in attendance.

- The participation of members in the Committee meetings can be in person or by audio-visual means.
- The Committee may invite such executives from the Company as it considers appropriate for carrying out its mandate.

#### **4. Responsibilities of Committee:**

The Committee has the specific duties and responsibilities listed below and such other specific duties as the Board prescribes from time-to-time:

##### **A. Compensation Policies**

**(i) Board Remuneration Policy** - The Committee shall recommend to the Board a policy, relating to the remuneration of the Directors. While formulating such policy, 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.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Remuneration 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.

**(ii) Remuneration Policy for Key Managerial Personnel, Senior Management Personnel and other employees**

The Committee shall review, monitor, and recommend to the Board compensation packages for Key Managerial Personnel. While recommending compensation packages the Committee shall take into account:

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate KMPs
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Remuneration 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;
- The Committee shall recommend to the Board a policy relating to the remuneration and appraisals for Key Managerial Personnel, Senior Management and other employees. While formulating such policy, the Committee shall ensure that-
  - (i) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (ii) remuneration 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.

##### **B. Nomination Process**

**(i) Board of Directors**

- To identify suitable candidates as members of the Board in accordance with defined criteria as laid down before the Committee. The Committee shall establish a transparent board nomination process and recommend for Board approval appropriate criteria for the selection and removal of Board members.

While making an assessment on suitability of the candidate, the Committee shall formulate criteria for determining the educational qualifications, positive attributes and independence of Directors.

The Board may recommend to the Board with reasons recorded in writing, wherever the Committee deems fit, removal of a Director

**(ii) Key Managerial Personnel (KMPs)**

- To lay down the criteria for identification of the persons who may be appointed as KMPs, taking into consideration qualifications, experience, positive attributes, skills and competencies and such other factors as it deems appropriate.
- The Committee shall recommend to the Board the appointment and removal of KMPs of the Company.

**(iii) Senior Management (SM)**

- To consider appointment and removal of COO and Head of MSOG (by whatever name called).
- For rest of the Senior Management (i.e. CEO -1 will done by MD & CEO).

**C. Performance Evaluation**

- To formulate criteria for performance evaluation of Independent Directors, the Committees and the Board. The Committee may hire an independent external agency for undertaking the said evaluation.
- To provide the Board with its comments on the annual appraisals carried out by the company management of the Executive Director(s), KMPs and SMs and recommend the variable payout of the Company in accordance with the remuneration policy approved by the Board.

**D. Others**

- **Diversity** - The Committee shall be responsible for devising a policy on Board diversity based on criteria of thought, experience, knowledge, perspective and gender. The policy shall be recommended by this Committee and approved by the Board.

- **Long Term Incentive Plans**

The Committee shall review and recommend to the Board for approval the long-term incentives plan(s)/ scheme(s) including but not limited to ESOP's, retention bonuses or any other scheme of similar nature and any modifications thereto.

- **Organization Design**

The Management shall place before the Committee organization structure of the Company for information from time to time.

- **Succession Planning**

The Committee shall review and satisfy itself that the plans are in place for orderly succession for appointment of Board of Directors, KMPs and SM.

**5. Committee Ethics and Procedures**

All members of the Committee will safeguard internal committee communications concerning any candidate / employee and treat them as confidential and for the use of committee members only.

This policy shall be placed on the website of the company and the salient features of the policy and changes therein, if any, along with the web address of the policy shall be disclosed in the Board's report.