

# **JUVENOR HEALTHCARE LIMITED**

## **CRITERIA FOR CONDITION MAKING PAYMENTS TO NON EXECUTIVE DIRECTOR**

### **PREAMBLE:**

Under the SEBI (Listing Obligation Disclosure Requirement) Regulation 2015, requires every company to publish its criteria of making payments to NEDs in its annual report. Alternatively, this may be put up on the company's website and reference may be drawn thereto in its annual report.

Section 197 of the Companies Act, 2013 and Regulation 17(6)(a) of SEBI (Listing Obligation Disclosure Requirement) Regulation 2015 require the prior approval of the shareholders of a Company for making payment to its NEDs.

### **Remuneration to Non- Executive / Independent Director:**

#### **1. SITTING FEE:**

Such director(s) may receive remuneration by way of fee for attending meetings of the Board or Committee thereof or any other meeting as required by Companies Act, 2013, SEBI (Listing Obligation Disclosure Requirement) Regulation 2015 or other applicable law or for any other purpose whatsoever as may be decided by the Board

#### **2. COMMISSION:**

Under the Companies Act, 2013, Section 197 allows a company to pay remuneration to its NEDs either by way of a monthly payment or at a specified percentage of the net profits of the company or partly by one way and partly by the other.

Further, the section also states that where the company has either managing director or whole-time director or manager, then a maximum of 1% of its net profits can be paid as remuneration to its NEDs.

In case there is no managing director or whole-time director or manager, then a maximum of 3% of net profit can be paid. Thus, the basis of payment to the NEDs is the net profit of the Company.

#### **3. CRITERIA FOR FEE AND COMMISSION:**

Within the parameters prescribed by the Companies Act, the quantum of sitting fees and commission will be recommended by the Nomination and Remuneration Committee ("NRC") and approved by the Board of Directors of the Company. Overall remuneration (sitting fees and commission) should be reasonable and commensurate with the responsibilities, time spent in Board and Committee meetings by the NEDs. The aggregate commission payable to all the NEDs will be recommended by the NRC to the Board based on Company's performance, profits, return to investors, shareholder value creation and such other qualitative parameters.

#### **4. PROFESSIONAL FEES:**

Under the Companies Act, 2013, Section 197 allows a Company to pay remuneration to its NEDs for services rendered by any such Director if: a. The services rendered are of Professional nature; b. In the opinion of Nomination and Remuneration Committee the Director possess the requisite qualification for the practice of the profession. As per the provisions of Section 188 of the Companies Act, 2013, the Audit Committee and the Board of Directors of the Company shall approve the Professional fees to be paid to Non Executive Director(s), and with the approval of the Shareholders where ever required.

#### **5. REFUND OF EXCESS REMUNERATION PAID:**

If any such director draws or receives, directly or indirectly, by way of fee/remuneration any such sums in excess of the limit as prescribed or without the prior sanction, where it is required, such remuneration shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive the recovery of any sum refundable to it.

#### **6. REIMBURSEMENT OF ACTUAL EXPENSES INCURRED:**

NEDs may also be paid/reimbursed such sums either as fixed allowance and /or actual as fair compensation for travel, boarding and lodging and incidental and /or actual out of pocket expenses incurred by such member for attending Board/Committee Meetings.

The Nomination and Remuneration Committee is entrusted with the role of reviewing the compensation of NEDs.

#### **7. AMENDMENT:**

The Corporation reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. The Audit Committee shall also review the Policy and suggest amendments to make it responsive and relevant to the changing times. However, no such amendment or modification will be binding on the Employees unless the same is notified to the Employees in writing.

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