

CLARIS LIFESCIENCES LIMITED

NOMINATION AND REMUNERATION POLICY

PREAMBLE

Pursuant to Section 178 of the Companies Act, 2013 (the “Act”) and rules made thereunder, this Nomination and Remuneration Policy (hereinafter referred as the “Policy”) of Claris Lifesciences Limited (the “Company”) is designed and formulated by the Nomination and Remuneration Committee (the “Committee”) of the Company

The Nomination and Remuneration Committee of the Company is required to identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down by the Company, recommend to the Board for their appointment and removal. The Nomination and Remuneration is further required to formulate criteria and carry out evaluation of every Director’s performance.

Further, the Nomination and Remuneration Committee of the Company is required to formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key managerial Personnel and other employees.

Accordingly, the Policy lays down the criteria with regard to identification and nomination of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and also the remuneration of Directors, Key Managerial Personnel and other employees. The Policy is designed to attract, retain and motivate employees to run the Company successfully and professionally. The Policy is also designed to evaluate the performance of the Board as a whole and its Directors.

This Policy is applicable with effect from March 22, 2018 and replaces the earlier policy which was effective from December 1, 2015, and was valid up to March 21, 2018.

PART-A: POLICY ON SELECTION CRITERIA FOR APPOINTMENT AS DIRECTORS AND SENIOR MANAGEMENT

(1) Selection Criteria for Directors

The following broad parameters/ aspects/ criteria shall be considered while assessing the suitability of an individual appointing a person as a Director, whether Executive, Non-Executive or Independent, on the Board of the Company:

Skills and Experience: The candidate to have appropriate skills and experience in one or more fields of finance, law, management, sales, marketing, human resource management, administration, research, corporate governance, technical operations or any other discipline related to the Company’s business.

Understanding of Business: The candidate to have an understanding of the Company's/ Group's business and related industry; and ability to handle conflict constructively and possess the willingness to address critical issues proactively.

Age Limit: The candidate who is going to be appointed as an Executive Director should have completed the age of twenty-one (21) years and should not have attained the age of seventy (70) years.

Conflict of Interest: The candidate should not hold any conflicts of interest with the Company in any manner whatsoever.

Regulatory Requirements: The number of companies in which the candidate holds directorship should not exceed the number prescribed under the Act.

Independence: The candidate proposed to be appointed as an independent director should not have any direct or indirect material pecuniary relationship with the Company and must satisfy the requirements/ criteria of independence, integrity, relevant expertise/ experience, etc., imposed under the Act, particularly, Section 149(6) and Schedule IV of the Act.

Educational and Professional Background: The candidate should have appropriate and adequate professional qualifications and/ or experience of having run a business at senior management and decision making level. The candidate should have burning desire for personal accomplishments and ability to influence decisions.

The Committee has the discretion to apply additional or different criteria as it may deem fit while considering/assessing the suitability of an individual as a Director on the Board of the Company.

Persons to be considered for appointment as directors shall be recommended to the Board by the Committee based on the policies and principles stated above and under the Act.

(2) Selection Criteria for Senior Management

For the purposes of this Policy, Senior Management shall mean employees hired at the level of Corporate Functional Heads or equivalent positions, employees at the senior managerial level and above and key managerial personnel.

The eligibility criteria for appointments to Senior Management shall have appropriate skills, positive attributes, qualifications and experience relevant to the position for which purpose the candidate is being or has been appointed.

**PART-B: POLICY ON REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNELS
("KMPs") AND OTHER EMPLOYEES**

The remuneration of Directors, KMPs and other employees shall be based on the following key principle:

- a. The remuneration shall be based on the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, etc;
- b. The level and composition of the remuneration is reasonable and sufficient to bring about objectivity while striking a balance between interest of the Company and the shareholders, attract, retain and motivate the Directors and employees of the Company and encourage behavior that is aligned to sustainable value creation;
- c. Current Industry benchmarks;
- d. Cost of Living.

(1) Remuneration to Executive Directors, KMPs and Senior Management

Executive Directors shall be paid remuneration in compliance with the Act and other applicable regulatory requirements, including such requisite approvals as required from time to time. The annual increments may be recommended by the Committee to the Board which shall be within applicable regulatory limits. The Board may, at the recommendation of the Committee and its discretion, consider the payment of such additional remuneration within the framework of applicable laws and regulatory requirements. The Executive Directors shall not be paid any sitting fees for attending the Board Meeting and various Committee Meetings of the Company.

KMPs and Senior Management shall be paid remuneration as per the HRM Policy of the Company in force from time to time and in compliance with applicable regulatory requirements. In addition to the remuneration, the Company may at its discretion, give Performance Linked Incentive (on an annual basis) based on the achievement of pre-set Key Result Areas.

(2) Remuneration to Non-Executive Directors and Independent Directors

Non-Executive Directors and Independent Directors shall be paid remuneration by way of sitting fees, if any, for attending the meetings of Board and/ or Committee thereof of the Company, as decided by the Board from time to time subject to the limits specified under the Act including any amendments thereto. In addition, the Company may at its discretion, give commission within the monetary limit approved by shareholders subject to compliance with applicable regulatory requirements.

Non-Executive Directors and Independent Directors shall also be reimbursed out-of-pocket expenses incurred by them for attending the meetings of the Board and/ or Committee thereof of the Company.

(3) Remuneration to other Employees

The remuneration packages of other employees are also formulated in accordance with HRM Policy of the Company in force from time to time. In addition to basic salary and other components forming part of overall salary package, employees are also provided with allowances, perquisites and retirement benefits as per the HRM Policy of the Company and statutory requirements, where applicable.

PART-C: POLICY ON PERFORMANCE EVALUATION OF BOARD AS A WHOLE AND ITS DIRECTORS

(1) Overview

The performance of the Directors of the Company shall be subject to evaluation each year. The performance evaluation shall be conducted at the end of the each year based on his attendance, performance, participation, etc in the various meetings held during the year. The Chairman of the Company shall initiate the process of performance evaluation of the Directors. The performance evaluation shall be conducted based on approved criteria in the evaluation form.

(2) Objective

- (i) To assist in the process of assessing the participation and contribution at the Board level of the Company;
- (ii) To monitor and evaluate the attainment of the Board objectives;
- (iii) To provide the Directors an opportunity to reflect on, and assess, their areas of strength and development.

(3) Key Evaluation Criteria

The following broad key evaluation criteria shall be applied for evaluating the performance of the Board and of every Director of the Company:

- (i) Providing effective leadership and strategic guidance to the management;
- (ii) Understanding the nuances of the business of the Company including the risks and regulatory aspects;
- (iii) Attendance at, and active participation, at the Board meetings;
- (iv) Ability to drive the discussion at the Board meetings on various matters, such as business performance, strategies, risks assessment and management, regulatory and compliances, and various other aspects;
- (v) Management of conflict of interest

EVALUATION PROCESS

The Company has devised performance evaluation framework, which sets a mechanism for the evaluation of the Board as a whole, Committee and Directors. The performance evaluation of the Board as a whole, Committee and Directors shall be carried out through self assessment and group discussion in the aforesaid framework.

DISCLOSURE

As per existing applicable regulatory requirements, the Nomination and Remuneration Policy shall be disclosed in the Board of Director's Report.