



NOMINATION AND REMUNERATION POLICY

1. Introduction

The Nomination & Remuneration Policy (“**Policy**”) of Response Informatics Limited (“**Response Informatics**”) or (“**Company**”) is formulated under the requirements of applicable laws, including the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“**Listing Regulations**”).

The Policy is intended to set out criteria and recommend paying equitably to the Key Managerial Personnel (KMP), senior management (as defined below), and other employees of the Company and to harmonize the aspirations of human resources with the goals of the Company.

2. Objective and Purpose

The Key objectives and purpose of this Policy shall be as per Section (178) of the Companies Act, 2013 is to lay down a framework in relation to remuneration of Key Managerial Personnel (KMP) and Senior Management as given below:

- 2.1 To formulate the criteria for determining qualifications, competencies, positive attributes, and independence for appointment Key Managerial positions of the Company (“**KMP**”); and
- 2.2 To recommend policy relating to the remuneration of Senior Management to the Board of Directors of the Company (“**Board**”);
- 2.3 Reviewing and approving corporate goals and objectives relevant to the compensation of the KMP, evaluating their performance in the light of these goals and objectives and either as a committee or together with the other independent Directors (as directed by the Board),
- 2.4 Determine and approve Senior Managerial positions compensation based on this evaluation; making recommendations to the Board with respect to incentive compensation and equity-based plans that are subject to the approval of the Board.
- 2.5 To retain, motivate and promote talent and ensure long-term sustainability of talented managerial persons and create a competitive advantage

3. Definitions

- a. ‘**Board**’ means Board of Directors of the Company.
- b. ‘**Directors**’ means Directors of the Company.
- c. ‘**Committee**’ means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Act and applicable Listing Regulations.
- d. ‘**Company**’ means Response Informatics Limited.



- e. **'Independent Director'** means a Director referred to in Section 149(6) of the Companies Act, 2013 and rules.
- f. **'Key Managerial Personnel (KMP)'** means-
- i) The Chief executive Officer or manager
 - ii) The Chief People Officer
 - iii) The Company Secretary
 - iv) The Chief Financial Officer; and
 - v) Any other person as defined under the Companies Act, 2013 from time to time.
- g. **Senior Management** means officers/personnel of the Company who are members of its core management team. The core management team includes Chief Executive Officer, Chief Operating Officer, Group General Counsel, Head-HRD, Chief Financial Officer and Company Secretary.
- h. **Note for the above definition:** Members of management one level below shall mean Business Head(s) and Functional Heads reporting to Managing Director(s).

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.

4. Constitution of the Nominations and Remuneration Committee

4.1 The Board has constituted the "Nomination and Remuneration Committee" of the Board. This is in accordance with the requirements and provisions of Section 178 under the Companies Act, 2013. This Policy and the Nomination and Remuneration Committee and are to be read together.

The Board has authority to reconstitute this Committee from time to time.

5. General

This Policy is divided in three parts: -

Part – A covers the matters to be dealt with and recommended by the Committee to the Board;

Part – B covers the appointment and removal of KMP and Senior Management; and

Part – C covers remuneration for KMP and Senior Management.

Part-A

Matters to be dealt with, perused and recommended to the Board by the Nomination and Remuneration Committee

The following matters shall be dealt with by the Committee: -



a. Key Managerial Positions (KMPs)

Formulate the criteria determining qualifications, positive attributes, and independence of KMP, and recommend candidates to the Board when circumstances warrant the appointment of a new personnel, having regard to qualifications, integrity, expertise and experience for the position.

b. Succession Plans:

Establishing and reviewing KMP and Senior Management succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Senior Management.

c. Evaluation of Performance:

- (i) Make recommendations to the Board on appropriate performance criteria
- (ii) Formulate the criteria and framework for evaluation of performance of every Key Managerial personnel of the Company or engage with a third-party facilitator in doing so.
- (iii) Identify ongoing training and education programs for the personnel to ensure and are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

The performance evaluation shall be carried out as given below: -

Performance Evaluation by	Of Whom
Nomination and Remuneration Committee	Every managerial performance
Key Managerial Personnel	-All KMPs and Committees to be evaluated
Senior Management	Review the performance of all senior management

d. Board Diversity:

The Committee is to assist the Board in ensuring the Board nomination process is in line with the diversity policy of the Board relating to gender, thought, experience, knowledge and perspectives.

e. Recoupment Policy:

The Committee is responsible for recommending to the Board, the application of the Recoupment Policy in relation to any incentive-based compensation (as defined in the recoupment policy), that shall be recovered from the current or past CEO or any current or past executive reporting to the CEO in the event of an accounting restatement.



f. Remuneration framework and policies:

The Committee is responsible for reviewing and making recommendations to the Board on:

- a. Remuneration of KMPs presented to the board for approval including severance, if any.
- b. The remuneration and remuneration policies for KMP and Senior Management including base pay, incentive payments, equity awards, retirement rights, severance pay if any and service contracts having regard to the need to;
 - i) Attract and motivate talent to pursue the Company's long-term growth;
 - ii) Demonstrate a clear relationship between executive compensation and performance;
 - iii) Be reasonable and fair, having regard to best governance practices and legal requirements and
 - iv) Balance between fixed and incentive pay reflecting short and long-term performance objectives as appropriate for the company and its goals.
- c. The company's incentive compensation and equity-based plans including a consideration of performance thresholds and regulatory and market requirements.

PART-B

Policy for appointment and removal of KMP and Senior Management

a. Appointment and criteria and qualifications

1. The Committee shall ascertain the integrity, qualifications, expertise and experience of the person identified for appointment as KMP or Senior Management and recommend to the Board his/her appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
2. A person to be appointed as KMP or Senior Management should possess adequate qualification, expertise and experience for the position he / she is considered for.
3. A person, to be appointed as KMP, should possess impeccable reputation for integrity, deep expertise and insights in sectors/areas relevant to the Company, ability to contribute to the Company's growth, and complementary skills in relation to the other Board members.
4. The company shall not appoint or continue the employment of any person as Key Managerial personnel who has attained the age of seventy-five years and shall not appoint senior management who has attained the age of seventy-five years. Provided that the term of the person holding this position may be extended at the discretion of the committee beyond the age of seventy-five years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for the extension of appointment beyond seventy-five years as the case may be.



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5. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a director in any company, with the permission of the Board of Directors of the Company.

b. Term / Tenure

1. Key Management Personnel

The Company shall appoint or re-appoint any person as CEO for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Senior Management

A person shall hold office for a term up to 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.

c. Removal

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules, and regulations, the Committee may recommend to the Board with reasons recorded in writing, removal of a KMP or Senior Management subject to the provisions and compliance of the said Act, rules, and regulations.

d. Retirement

The KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the KMP and Senior Management in the same position /remuneration wise, even after attaining the retirement age, for the benefit of the Company.

PART – C

Policy relating to the remuneration for KMP and Senior Management

a. General

1. The remuneration/compensation/commission etc. to be paid to will be determined by the Committee and recommended to the Board for approval.
2. The remuneration and commission to be paid to the KMPs, shall be in accordance with the provisions of the Companies Act, 2013, and the rules made there under.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders.

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4. Where any insurance is taken by the Company on behalf of its KMP and Senior Management 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 KMP and Senior Management

The pay program for KMP and Senior Management has been designed around three primary pay components: Base/Fixed Pay, Performance Bonus and Stock Incentives. These three components together constitute the “Total Rewards” of the KMP and Senior Management.

1. **Base/ Fixed Pay:** It is guaranteed pay and paid periodically as per payroll policy by country. Managerial Person, KMP and Senior Management shall be 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 Act and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including employer’s contribution to Provident Fund(s), pension scheme(s), 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 such other approval, wherever required.
2. **Performance Bonus:** Cash bonus, payable on the achievement of objective and quantifiable key performance indicators (KPI) as established by the Committee. The Company may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfilment of specified improvement targets or the attainment of certain financial or other objectives set by the Board.
3. **Stock Incentives:** Stock or Equity based incentives can be either time based or performance-based equity grants. Time based stock incentives, in the form of Restricted Stock Units (RSUs) or/and stock options, are granted based on continuation of service. Performance based stock incentives are generally granted annually, in the form of Stock Options and/or RSUs, upon the achievement of Company and individual goals. The stock incentives are governed by Stock Incentive Compensation Plan approved by the shareholders, or any other plan as may be amended.

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The total rewards for KMP and Senior Management is designed to ensure their continued alignment with organizational goals. The Committee aims to ensure that KMP and Senior Management pay is reflective of market pay, consisting of a mix of base/ fixed pay, performance bonus and stock incentives. The emphasis on stock incentives ensures alignment with shareholders' interests, through a continued focus on the Company's sustainable, long-term performance.

c. Remuneration to other employees

The compensation for other employees would be as per the compensation policy of the Company, as revised through the annual compensation review process from time to time and approved by the Chief Executive Officer and Chief Operating Officer, in consultation with the Head- HR.

d. Minimum remuneration to Whole-time Directors

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors in accordance with the provisions of Schedule V of the Companies Act, 2013.

e. Remuneration to Non-Executive / Independent Directors

- i) Remuneration: The remuneration payable to each Non-Executive Director is based on the remuneration structure as determined by the Board, and is revised from time to time, depending on individual contribution, the Company's performance, and the provisions of the Companies Act, 2013 and the rules made there under.
- ii) Stock incentive: The Independent Directors shall not be entitled to any stock incentive of the Company.

Criteria for payment of remuneration as determined by the Board	
Particulars	Amount
Board Attendance fee	5,000
Chairperson of audit committee	2,500
Members of audit committee	2,500
Chairperson of other committees	2,500
Members of other committees	2,500



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Notes:

1. The Company normally has Four Board meetings in a year, Independent Directors are expected to attend four quarterly Board meetings and the AGM.
2. For Directors based overseas, travel fees shown is per Board meeting. This is based on the fact that additional travel time of two days will have to be accommodated for independent directors to attend Board meeting in India.
3. For directors based overseas, incidental fees shown is per Board meeting. This fee is paid to non-executive directors for expenses incurred during their travel to attend board meetings in India.

6. Policy review

- a. This Policy is framed based on the provisions of the Companies Act, 2013 and rules there under and the requirements of Listing Regulations with the Stock Exchanges.
- b. In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.
- c. This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for their approval.

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