

ZENOTECH LABORATORIES LIMITED

**Policy on Board Diversity, Performance Evaluation
and Remuneration Policy**

POLICY ON BOARD DIVERSITY

1. Purpose of this Policy:

This Policy on Board Diversity (the “Policy”) sets out the Company’s approach to ensuring adequate diversity in the Composition of the Board of Directors (the “Board”) and is devised in consultation with the Nomination and Remuneration Committee (the “Committee”) of the Board.

2. Scope of Application:

The Policy applies to the Board of Zenotech Laboratories Limited (“Company”).

3. Policy Statement:

The Company recognizes the benefits of having a Board with directors from diverse fields. The company strongly believes that diversity at Board level has competitive advantage in the business environment where it operates. It is recognized that a Board, composed of appropriately qualified people with broad range of experience relevant to the business of the Company is critical to achieve its business objectives. At a minimum, the Board of the Company shall consist of at least one woman Director. All appointment at the Board level, KMP and other senior employees will be made on merit, with regard to skills, experience, independence, knowledge and integrity.

4. Review of the Policy:

The Board and the Committee will review this Policy on a regular basis to ensure its effectiveness and also compliance with revised Clause 49 of the Equity Listing Agreement (the “Clause 49”).

REMUNERATION POLICY

1. Purpose of this Policy:

Zenotech Laboratories Limited (“Zenotech” or the “Company”) has adopted this Policy for making appointments and paying remuneration to its Directors, Key Managerial Personnel (KMP) and the Senior Management (the “Policy”) as envisaged under the provisions of Section 178 of the Companies Act, 2013 (the “Act”) and Clause 49 of Listing Agreement.

The purpose of this Policy is to establish and govern the procedure applicable:

- a) To evaluate the performance of the members of the Board.
- b) To ensure remuneration payable to Directors, KMP & other senior Management strike appropriate balance and commensurate, among others, with the functioning of the Company and its long term objectives.
- c) To retain, motivate and promote talent within the Company and to ensure long term sustainability of the managerial persons and create competitive advantage.

The Committee should ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and the senior Management of the quality required to run the Company successfully, their remuneration matches with their performance while meeting appropriate performance benchmarks.

2. Definitions:

Words and expressions used and not defined in this Policy, but defined in the Companies Act, 2013 or any rules framed under the Act or the Securities and Exchange Board of India Act, 1992 and Rules and Regulations framed thereunder or in the Clause 49 or the Accounting Standards shall have the meanings assigned to them in these regulations.

Senior Management means personnel of the Company who are members of its core management team excluding the Board of Directors.

3. Terms of reference

The Committee shall:

- a) Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- b) Identify persons who are qualified to become Directors & KMP in accordance with the criteria laid down in the Policy. Further may identify persons who may be appointed at the Senior Management positions in accordance with the criteria laid down in this policy.
- c) Lay down the evaluation criteria for performance evaluation of Independent Director and the Board;

- d) Recommend to the Board appointment including the remuneration and removal of Directors and KMP. Approve appointments along with the remuneration, and removal at the Senior Management level.

4. Appointment and removal of Director, KMP and Senior Management:

4.1 Appointment criteria and qualification:

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the Board and recommend to the Board his / her appointment in accordance with the criteria laid down under the Companies Act, 2013 and the listing agreement for appointment of directors including the Independent Directors.

For the appointment of KMP (other than Managing / Wholetime Director), a person should possess requisite qualification(s) prescribed if any, expertise and experience for the position he / she is considered for the appointment. However, the appointments at the level of senior Management shall be approved by the committee.

4.2 Term:

The Term of the Directors including Managing / Wholetime Director / Independent Director shall be governed as per the provisions of the Act and Rules made thereunder and the Clause 49, as amended from time to time subject to the approval of the shareholders. Whereas the term of the KMP (other than the Managing / Whole time Director) and Senior Management shall be governed by the prevailing HR policies of the Company and the terms and conditions of his / her appointment.

4.3 Evaluation:

The Committee shall carry out evaluation of performance of every Director.

The Committee shall identify evaluation criteria which will evaluate Directors based on knowledge to perform the role, time and level of participation, performance of duties, level of oversight, professional conduct and independence. The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

Framework for performance evaluation of Independent Directors and the Board.

As per the provisions of Clause 49, the Nomination and Remuneration Committee shall lay down the evaluation criteria for performance evaluation of Independent Directors and the Board. Further, in terms of Clause 49, the Board is further required to monitor and review Board Evaluation Framework.

The Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Committee on regular basis reviews processes for evaluation of performance of Independent Directors and the Board.

4.4 Removal:

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, Rules and Regulations thereunder and / or for any disciplinary reasons and subject to such applicable Acts, Rules and Regulations and the Company's prevailing HR policies, the Committee may recommend, to the Board, with reasons recorded in writing, removal of a Director, KMP & Senior Management.

5. Remuneration of Managing / Whole-time Director & KMP:

The remuneration / compensation / commission, etc., as the case may be, to the Managing / Wholetime Director/ KMP will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission, etc., as the case may be, shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made thereunder.

6. Remuneration to Non-executive / Independent Director:

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, payable if any, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / shareholders.

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act and the Clause 49, as amended from time to time.