



**NOMINATION AND REMUNERATION COMMITTEE CHARTER
OF
BIOCON LIMITED**

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SCOPE OF THE COMMITTEE

The Nomination and Remuneration Committee (“the Committee”) of the Board of Directors (“the Board”) of the Biocon Limited (“the Company”) was constituted in terms of mandatory requirement of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time.

The purpose of the committee is to:

- Determine/review the company’s policy on specific remuneration packages for the Executive Directors including pension rights and any compensation payment.
- Oversee the framing, review and implementation of compensation policy of the Company on behalf of the Board.
- Form policy, procedures and schemes and to undertake overall supervision and administration of Employee Stock Option Plan including any long-term incentive plan in the form of RSUs in the Company.
- Review the Board structure, size and composition and make recommendation for any changes.

Key Managerial Personnel (KMP) - As per 2(51) of the Companies Act, 2013 (“the Act”), KMP, in relation to a Company, means—

- i. the Chief Executive Officer or the Managing Director or the Manager;
- ii. the Company Secretary;
- iii. the Whole-time Director;
- iv. the Chief Financial Officer;
- v. such other officer, not more than one level below the directors who is in whole-time employment, designated as KMP by the Board; and
- vi. such other officer as may be prescribed;

Senior Management – As per Regulation 16(1)(d) of SEBI LODR; “Senior Management” shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.

CONSTITUTION, MEMBERSHIP AND COMPOSITION

The Committee shall consist of three or more non-executive directors out of which at least one-half shall be independent directors. The Board shall designate a member of the

Committee as the Chairperson, provided such member 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.

- **Chairperson** - The Chairperson of the Committee should be an Independent Director. In case the Chairperson is not available for the any meeting of the Committee, the members present may elect one among them to be the Chairperson of the meeting. The Chairperson of the Committee may be present at the annual general meeting to answer the shareholders' queries. However, it shall be up to the Chairperson to decide who shall answer the queries.
- **Membership** - The members of the Committee shall be appointed by the Board.
- **Invitees** – In addition to the members as mentioned above, any other director/person may be invited for bringing special knowledge etc. into the discussion. Invitee directors do not have any voting rights and may entitled to sitting fees, if any as duly agreed upon by the members of the Board.
- **Secretary** – The Company Secretary of the Company acts as Secretary to the Committee.

PROCEDURE AND QUORUM:

- **Time and frequency of meetings** – The Committee shall meet on quarterly basis or as may be decided from time to time but at least once in a year. Members who are not physically present may attend through video / teleconference.
- **Quorum for meetings** – Two members or one third of the members of the Committee, whichever is greater, including at least one independent director in attendance including those who attend via video conference.

The participation of the directors by video conferencing or by other audio-visual means shall also be counted for the purposes of quorum. However, members attending meeting through teleconference are to be excluded for the purpose of Quorum.

- **Onward Reporting** – The draft Minutes of each meeting of the Committee shall be circulated within the statutory time period as stated in the Secretarial Standards as issued by the Institute of Company Secretaries of India read along with the Companies Act, 2013 or any other applicable law, rules or regulations as applicable from time to time. A copy of the signed minutes, certified by the Company Secretary, shall be circulated within the timelines as stated under the Secretarial Standards, to all the Members as on the date of the Meeting and appointed thereafter, except to those

Members who have waived their right to receive the same either in writing or such waiver is recorded in the Minutes.

ROLE AND RESPONSIBILITIES

The roles and responsibilities of the Committee shall inter-alia include the following:

a. Compensation Related:

- To evaluate the performance of Managing Director and Whole-time Directors and senior management team including the effectiveness of their functioning after laying down the criteria for measurement of performance and recommend Stock Options including any long-term incentive in the form of RSUs / Performance Bonus / pension rights / any compensation payment/ severance compensation for them to the Board of Directors;
- To review and approve revision in the remuneration / increments /incentives payable to the Managing Director/ Whole-time Directors and Senior Management team before implementation;
- To form and recommend a policy for payment of remuneration including Stock Options including any long-term incentive in the form of RSUs, if applicable, for directors, KMP, Senior Management. including Functional Heads
- To oversee the framing, review and implementation of compensation policy of the company on behalf of the Board. The policy should cover all aspects of the compensation structure such as fixed pay, variable pay, incentives, perquisites, bonus including milestone bonus, guaranteed pay, severance package, stock options including any long-term incentive plan in the form of RSUs, pension plan, gratuity, etc., taking into account the guidelines issued by any authority from time to time;
- To ensure that the remuneration payable to Directors, KMP and members of Senior Management team including functional heads involves a balance between fixed and variable incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goal;
- To review and recommend to the Board all remuneration, in whatever form, payable to directors and senior management;
- To ensure relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- To act as a Compensation Committee as prescribed under the SEBI (Share Based Employee Benefits) Regulation 2014 or any amendment thereof;

- To ensure that the prescribed disclosure as applicable under the Companies Act, 2013 or any other status are made at appropriate place in annual reports/other documents;
- To deal with the Employee Stock Option Plans including any long-term incentive plan in the form of RSUs, policy, its administration and superintendence within the Company;
- To deal with and review Employee Stock Option Plans including any long-term incentive plan in the form of RSUs, applicable to employees of the Company and its subsidiaries;
- To deal with and review eligibility criteria for granting, vesting and allotment of stock options including RSUs to employees of the Company and its subsidiaries, including but not limited to performance appraisal criteria, norms and guidelines;
- To make recommendations to the Board on matters related to Employee Stock Option Plans including any long-term incentive plan in the form of RSUs;

b. Board Composition, appointment and performance evaluation related:

- To review the Board structure, size and composition of the Board and make any recommendations to the Board with regard to any changes deemed necessary and recommendations for appointment/removal of KMPs;
- To review the performance of, and recommend if appropriate, directors who are retiring by rotation to be put forward for re-appointment at the Annual General Meeting of the Company;
- To evaluate the balance of skills, knowledge and experience of the Board and, in the light of this evaluation, prepare a description of the role and capabilities required prior to identifying and recommending individuals for nomination as independent or non-independent members of the Board, its committees and in the senior management team;
- To formulate the criteria to determine the qualifications, qualities, skills, positive attributes, independence and other expertise required to be a Director of the Company;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- To provide an annual performance evaluation of the members of the Board and consider any succession issues relating to the Board or any of its duly authorised sub-committees;

- To recommend to the Board on whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- To undertake self-evaluation of its own functioning and identification of areas for improvement towards better governance;

c. Other responsibilities

- To satisfy itself with regard to succession planning, that the processes and plans are in place with regard to the Board & senior management;
- To develop and recommend a policy on Board diversity;
- To recommend to the Board a policy relating to the remuneration of Directors, KMP, Senior Management and other employees.
- To devise appropriate induction/ familiarization process for the new and existing Directors of the Company;
- Laying down positive attributes for Independent Directors and formulate criteria for determining Independence of Directors;
- To work in close coordination with Risk Review Committee of the Company, in order to achieve effective alignment between remuneration and risks.
- The Committee shall perform any other functions or duties as may be required under the relevant provisions of SEBI Listing Regulations and the Act read with rules made thereunder and as may be delegated to the Committee by the Board from time to time.

AUTHORITIES

- To deal with annual performance evaluation of the members of the Board. The Committee shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the committee or by an independent external agency and review its implementation and compliance;
- To deal with Board structure, size and composition and recommend individuals for nomination as independent or non-independent members of the Board, its committees and in the senior management team;
- To approve and administer, the company's policy on specific remuneration packages for the Executive Directors including pension rights and any compensation payment;

- Frame suitable policies and systems to ensure that there is no violation of any applicable laws in India or overseas, by any employees.
- The committee shall have access to management and information.
- The Committee, at its discretion, may seek the advice of external experts or independent consultants or advisors or legal counsel, where judged necessary, to discharge its duties and responsibilities.

REVIEW OF CHARTER

The adequacy of this charter shall be reviewed from time to time by the Committee and appropriate recommendations shall be made to the Board to update the same based on the changes that may be brought due to the regulatory amendments or otherwise.

In case of any ambiguity or need for clarification, the Company should refer applicable Secretarial Standards, provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Articles of Association of the Company and any other applicable laws. Further, in case there prevails any inconsistency between the provisions of this charter and the law, the law shall prevail.

REFERENCE

As mandated by:

1. Section 178 of Companies Act, 2013 and rules made there under;
2. Regulation 19 of the SEBI Listing Regulations.

VERSION HISTORY

- Remuneration Committee was constituted on April 1, 2001 and Nomination Committee January 21, 2010.
- The charter was last approved on April 25, 2019.
- Reviewed and presented for Board/Committee approval on May 14, 2020.