



## CODE FOR GOVERNANCE OF BOARD OF DIRECTORS

(Policy for appointment of directors and Board diversity<sup>1</sup>, Terms and Conditions for appointment of Independent Directors of Company<sup>2</sup>, Familiarization programme for Independent Directors<sup>3</sup>, Nomination and Remuneration of Directors<sup>4</sup>, Board succession plan<sup>5</sup> and Policy on evaluation of Independent Directors and the Board of Directors<sup>6</sup>)



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<sup>1</sup>Section 178 of the Companies Act, 2013 read with Regulation 19, Part D(A) of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

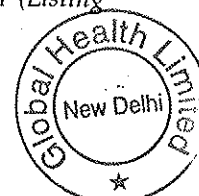
<sup>2</sup>Section 149(8), Schedule IV of the Companies Act, 2013 read with Regulation 46(2)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

<sup>3</sup>Regulation 25(7), 46(2)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

<sup>4</sup>Section 178 of the Companies Act, 2013 read with Regulation 19, Part D(A) of Schedule II SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

<sup>5</sup>Regulation 17(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

<sup>6</sup>Section 134(3)(p) of the Act read with Regulation 19, Part D(A) of Schedule II Listing Regulations



This Code for Governance of Board of Directors ("Code") comprises of various policies as mandated under the Companies Act, 2013 ("Act") and under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations") to appoint, regulate, monitor and evaluate the Board of Directors ("Board") of the Global Health Limited ("Company") as under:-

## **I. APPOINTMENT OF DIRECTORS AND BOARD DIVERSITY**

In terms of Section 178 of the Act and applicable provisions of Listing Regulations, the Company has a policy for appointment of Directors and Board Diversity for determining, qualifications, attributes, independence and identification of persons qualified to become (executive, non-executive and independent) Directors.

The composition of Board shall consist of-

- (a) individuals having requisite skills/ expertise/ competencies of diversified field for the effective functioning of the Board and Company.
- (b) individuals having requisite qualifications, stature, experience.
- (c) appropriate mix of non-independent and independent directors meeting the criteria of independence set out in the Act and Listing Regulations.
- (d) Individuals not disqualified or debarred from being appointed or continuing as director under the law applicable to the Company

The Company believes that a diverse Board will enhance the quality of the decisions made by the Board by utilizing the different skills, qualifications, professional experience, gender, knowledge etc. of the members of the Board, necessary for achieving sustainable and balanced growth of the Company. The Company recognizes and embraces the importance of a diverse Board in its success, and shall endeavour to have directors from speciality of skill set of Finance, Governance, Law, Medical, Human Resources, Information Technology etc.

The Board shall have a balance of skills, experience and diversity of perspectives appropriate to the Company. The Company shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, *whichever is earlier.*"

## **II. TERMS AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTORS OF COMPANY**

The following are the terms and conditions for appointment of Independent Directors of the Company:-

1. **Appointment:** - The Independent Directors are appointed by the Members of the Company, on the recommendation of Nomination and Remuneration Committee ("NRC") and the Board of Directors, for such period not exceeding five years as may be considered appropriate by the Board of Directors, or till such earlier date to conform with the policy on retirement and as may be determined by any applicable



statutes, rules, regulations or guidelines. The Independent Directors will not be retire by rotation.

The appointment, re-appointment or removal of an Independent Director of the Company, shall be subject to the approval of Shareholders by way of a special resolution.

An independent director who resigns or removed from the Board of the Company, shall be replaced by a new Independent Director, at the earliest, but not later than the immediate next meeting of the Board or three months from the date of such vacancy, *whichever is later*.

No independent director, who resigns from the Company, shall be appointed as an executive / whole time director of the Company, its holding, subsidiary(ies) or associate(s) company or on the board of the Company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an Independent Director.

In case of resignation of an Independent Director, the letter of resignation along with detailed reasons for the resignation shall be disclosed by the Company to the stock exchanges including the Names of listed entities in which the resigning Director holds directorships, indicating the category of directorship and membership of Board Committees, if any. The confirmation provided by the Independent Director that there is no other material reasons other than those provided shall also be disclosed by the Company to the stock exchanges along with the detailed reasons.

2. **Roles, Duties and Responsibilities:** - The duties and liabilities that come with appointment as an Independent Director would be as per the applicable laws, the Articles of Association and Code of Conduct of the Company. The Independent Directors will be expected to perform their fiduciary duties and exercise the skill and care expected of every Director. The duties of Independent Directors also abide by this Code.
3. **Remuneration:** - Company shall pay remuneration to Independent Directors as per Clause IV of this Code.
4. **Insurance:** The Independent Directors will be entitled to coverage under (a) Personal Accident Insurance, and (b) Directors' and Officers' Liability Insurance, as per the Company's' rules.
5. **Code of Conduct:-** The Independent Directors are require to comply with :-
  - Code of Conduct for Board Members, Key Managerial Personnel & Senior Management as adopted by the Board.
  - Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons

Unless specifically authorised by the Company, the Independent Directors will not disclose information in respect of the Company's affairs to the media, financial community, employees, and members or to any person.



The obligation of confidentiality of the Independent Directors shall survive the cessation of their directorship in the Company.

6. **Induction and Development:** - The will from time to time, brief the Independent Directors on all business related matters and proposed new initiatives as per Clause III (Familiarization Programme for Independent Directors) of this Code.
7. **Performance Evaluation Process:** - Performance of the Independent Directors will be evaluated as per Clause VI (Evaluation of Independent Directors and the Board of Directors) of this Code.
8. **Conflict of Interest:** - It is accepted and acknowledged that Independent Directors may have business interests other than those of the Company. They are required to declare such directorship, appointments and interests to the Board in writing in prescribed form(s).

During their term, the Independent Directors agree to promptly provide declaration under 149(7) of the Act, agree to keep their names included in the databank of independent directors and comply with Companies (Appointment and Qualification of Directors) Rules, 2014.

### **III. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

In terms of Regulation 25(7) of the Listing Regulations, and Schedule IV of the Act, the Company facilitate Familiarisation Programme for the Independent Directors. Various Familiarisation Programme for Independent Director aims to familiarise them with the Company, their roles, rights, responsibilities in the Company, nature of industry , business model of the Company etc.

A formal letter of appointment together with the induction kit which, inter alia, include Company's Memorandum and Article of Association, Code of Conduct, Code of conduct to Regulate, Monitor and Report Trading by Designated Persons, Terms of reference of Board Committees, Annual Report and Accounts are provided to the Independent Directors at the time of their appointment.

The Company conducts a formal induction programme for the new independent directors which may include familiarization of such independent director with the following:-

- (a) Nature of industry in which the Company operates;
- (b) Business mode of the Company;
- (c) Roles, rights and responsibilities of the independent directors and Board as while;
- (d) Criteria for independence applicable to independent directors as per Listing Regulations and the Act;
- (e) Company's vision, core values, ethics and corporate governance practices;
- (f) Business structure and overview, corporate strategy, business plans;
- (g) Familiarization with Company's business operations, performance, financial statements, other financial matters, internal control processes and statutory compliances, risk management systems and framework;
- (h) Board evaluation process and procedures;



- (i) Hospital tour of key facilities at the convenience of the Director.
- (j) Functioning of various departments and internal control process

The Company on regular basis make presentations to the entire Board including Independent Director on the Company's operation, nature of industry , business plans and wherein Independent Director gets an opportunity to interact with the other Directors and senior management of the Company.

#### **IV. NOMINATION AND REMUNERATION OF DIRECTORS**

In terms of Section 178 of the Companies Act, 2013 and applicable provision of Listing Regulation, the Company has policy on Nomination and Remuneration of Directors. This policy shall act as a guide for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel,

Remuneration to Directors shall be primarily governed and guided by the provisions of Companies Act. Considering the fiduciary responsibilities of the Directors, their remuneration shall not be linked any revenue or other target.

The remuneration by way of salary, benefits, perquisites and allowances and commission to be paid to Managing Director, Executive Directors and other senior management shall be paid on the recommendation of Nomination and Remuneration Committee ("NRC") in compliance with the provision of Section 197 read with Schedule V of the Act and Listing Regulations.

The Board of Directors on the recommendation of the NRC will determine the commission payable to the Non-Executive Directors out of the profits within the ceilings prescribed under the Act. The Board can decide to pay differential / discretionary remuneration to one or more director(s) based on the Board evaluation process considering the criteria such as the performance of the Company as well as the role and responsibility of directors in different committees.

The Company can pay sitting fees up to Rs. 1,00,000 to its Non-Executive and/ or Independent Directors for attending meeting of Board or any committee thereof. The Company will also reimburse the travelling and out-of-pocket expenses incurred by the Directors for attending the meetings.

The remuneration payable to Directors shall be reviewed by the NRC and all remuneration proposals shall be subject to approval of the Shareholders of the Company in due compliance of the provisions of Companies Act, 2013.

#### **V. BOARD SUCCESSION PLAN**

The Company recognizes the importance of the process of succession planning to provide for continuity in the smooth functioning of the Board of Directors. It is an essential function of the Board for the survival and growth of the organization and to ensure its continued effective performance through leadership continuity. There are certain



positions in the Company that are key to Company's current and future growth. It is therefore important that these positions are manned by skilled and best possible incumbents and those positions whenever fall vacant are filled well in time to avoid any leadership gaps.

The Company is focused on their long-term future by protecting the organization from the havoc that unwelcome departure can create. The Company is prepared with a plan to support operation and service continuity when the member of the Board leave his/her position.

The NRC shall proactively review the succession requirements for the Board and carry out due diligence process to determine the suitability of every person who is being considered for appointment or re-appointment as director of the Company based on his/her educational qualification, experience, track record. The proposed candidate shall be evaluated by the NRC to determine the eligibility and fit and proper criteria as per the Act and Listing Regulations, thereafter such candidate shall be recommended to the Board for its consideration and approval.

## VI. EVALUATION OF INDEPENDENT DIRECTORS AND THE BOARD OF DIRECTORS

Performance evaluation is important to provide a system of checks and balances on the performance of the directors so as to ensure that they exercise their powers in a rational manner.

- 1. Frequency and Timing:** - Pursuant to Section 134 (3) (p) of the Act, it can be inferred that there has to be a formal annual evaluation of Board of its own performance and that of its committees and individual directors. The Company may undertake annual evaluation either in accordance with calendar year or financial year. Ideally, the same should be as per financial year.
- 2. Action Plan:** - Once responses from all the Directors have been received, a summary of results of the Board evaluation will be placed before the Nomination and Remuneration Committee ("NRC"). Based on the feedback from each member, an average rating for each question will be obtained. All questions with average rating as decided by the NRC have been identified as areas for reflection and action planning. These are not necessarily the problem areas but definitely the areas where processes/ practices can be improved to meet the best governance standards and the Board may devise a plan to address such identified areas ("Action Plan"). While identifying the areas for reflections, proposed actions should be suggested for consideration of the evaluation panel. In some areas, suggestions from the evaluation panel are required to be provided.

The Action Plan should carry in detail the following:-

- (i) The nature of actions, including training and skill building, required to be undertaken to address the identified areas.
- (ii) Timeline within which the actions detailed in the Action Plan shall be completed.
- (iii) Persons responsible for the implementation of the Action Plan.



- (iv) Resources required to achieve the objectives set out in the Action Plan.
- (v) The Board must review the actions set out in the Action Plan within a specific time period

**Evaluation Criteria:** - The Nomination and Remuneration Committee shall evaluate the performance of each director of the Company under the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of section 178 of the Act.

Independent Directors are duty bound to evaluate the performance of non-independent directors, chairperson of the Company and the Board. The Act empowers the Independent Directors to hold separate meeting without the presence of other directors to assess the performance of Board.

Evaluation of Independent Directors shall be carried on by the entire Board which shall include- (a) performance of the directors, and (b) fulfilment of the independence criteria as specified in the Listing Regulations and their independence from the management. The directors who are subject to evaluation shall not be allowed to participate.

The Board of Directors shall take into consideration the following parameters for the purpose of evaluating the performance of a particular director.

In respect of each of the evaluation parameters, various descriptors have been provided to assist with the evaluation process in respect of performance of Board itself; and of its committees and individual directors, as such evaluation factors may vary in accordance with their respective functions and duties.

The evaluation scale is a five-point scale - Appraisal of each Director of the Company by the other Directors shall be based on the criteria as mentioned herein below:

**Rating Scale**

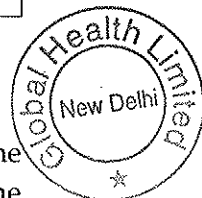
Scale	Performance
5	Outstanding
4	Exceeds Expectations
3	Meets Expectations
2	Needs Improvement
1	Poor

**3. Board Performance Evaluation Process**

**(a) Independent Directors**

Some of the specific issues and questions that should be considered in the performance evaluation of an Independent Director (the exercise in which the concerned director being evaluated shall not be included) are set out below:

S. No.	Assessment Criteria
1	Attendance and participations in the Meetings and timely inputs on the minutes of the meetings



2	Adherence to ethical standards & code of conduct of Company and disclosure of non-independence, as and when it exists and disclosure of interest
3	Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings
4	Interpersonal relations with other directors and management
5	Objective evaluation of Board's performance, rendering independent, unbiased opinion
6	Understanding of the Company and the external environment in which it operates and contribution to strategic direction
7	Safeguarding interest of whistle-blowers under vigil mechanism and safeguarding of confidential information

This process of evaluation shall be done by the entire Board excluding the director who is being evaluated, and the Nomination and Remuneration Committee. Based on the above criteria each of the Independent Directors has to be assessed by giving a rating as per the Rating Scale mentioned above. The total of the ratings so awarded will be averaged over the number of persons who have awarded the rating.

Assistance in conducting the process of evaluation shall be provided by a person as authorized by the Board and for this purpose, such person shall report to the Board.

**(b) Non-Independent Directors / Managing Director / Other Directors**

Some of the specific issues and questions that should be considered in a performance evaluation of Non- Independent Director / MD/ Other Directors are set out below:

S. No.	Assessment Criteria
1	Attendance, participations in the Board meetings and timely inputs on the minutes of the meetings
2	Contribution towards growth of the Company including actual vs budgeted Performance
3	Leadership initiative, like new ideas and planning for the growth of the Company and steps initiated for branding of the Company
4	Adherence to ethical standards and code of conduct of Company
5	Team work attributes and supervising and training of staff members
6	Compliance with policies, reporting of frauds, violation etc. and disclosure of interest
7	Safeguarding of interest of whistle blowers under vigil mechanism and safeguarding of confidential information

Based on the above criteria each of the Non-Independent Directors / MD / Other Directors has to be assessed by giving a rating as mentioned above. The total number of ratings awarded will be averaged over the number of persons who have awarded the rating.





This process of evaluation shall be done by the entire Board excluding the director who is being evaluated, and the Nomination and Remuneration Committee. Assistance in handling the process will be provided by a person so authorized by the Board, and for this purpose, the person will report to the Board.

**(c) Board of Directors**

Some of the specific issues and questions that should be considered in a performance evaluation of the entire Board by the Independent Directors are set out below:

S. No.	Assessment Criteria
1	Is the composition of the Board appropriate with the right mix of knowledge and skills required to drive organizational performance in the light of future strategy?
2	Members of the Board meet all applicable independence requirements
3	The Board of Directors is effective- in establishing a corporate environment that promotes timely and effective disclosure, fiscal accountability, high ethical standards and compliance with applicable laws and regulations
4	The Board of Directors is effective in developing a corporate governance structure that allows and encourages the Board to fulfil its responsibilities.
5	The Company's systems of control are effective for identifying material risks and reporting material violations of policies and law and the Board is provided with sufficient information about material risks and problems that affects the Company's business and prospects.
6	The Board receives regular financial updates and takes all necessary steps to ensure the operations of the organization are sound and reviews the organization's performance in carrying out the stated mission on a regular basis.
7	Are sufficient numbers of Board meetings, of appropriate length, being held to enable proper consideration of issues?
8	The information provided to directors prior to Board meetings meets expectations in terms of length and level of detail and Board members come prepared to meetings and ask appropriate questions of management and address issues that might present a conflict of interest.
9	Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution.
10	The Chairman of the Board effectively and appropriately leads and facilitates the Board meetings and the policy and governance work of the Board.
11	Nomination and appointment of Board members and their remuneration follow clearly established procedures using known criteria as laid down by the Nomination and Remuneration Committee.
12	The Board oversees the role of the independent auditor from selection to termination and has an effective process to evaluate the



	independent auditor's qualifications and performance (through its audit committee).
13	Company has a system for corporate social responsibility, stakeholder relationships and for prohibition of insider trading.
14	Company has necessary Committees which are required and these Committees are working effectively.

Based on the above criteria the Board has to be assessed by giving a rating as mentioned above. The total number of the ratings awarded will be averaged over the number of persons who have awarded the ratings. The process of evaluation shall be done by Independent Directors only. Assistance in the process will be provided by a person so authorized by the Board, and for this purpose the person will report to the Board.

**(d) Committees of the Board**

While calculating the performance of the Committees of Board the following general criteria shall be considered by the Board.

S. No.	Assessment Criteria
1.	Whether the mandate, composition and working procedures of committees of the board of directors is clearly defined and disclosed.
2.	Whether the Committee has fulfilled its functions as assigned by the Board and laws as may be applicable.
3.	Whether the Committees have been structure properly and regular meetings are being held.
4.	Whether Committee Meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues.
5.	Timely inputs on the Minutes of the Meetings
6.	The independence of the committee is ensured from the Board.
7.	The committee's recommendations contribute effectively to the decisions of the Board.

**4. Confidentiality**

The discussions held during the Committee meeting are to be kept confidential among those who attend the meeting. The written evaluation results are not public records. They will be kept in the confidential personnel file of the Independent Director and the Board of Directors.

**VII. AMENDMENTS AND WAIVERS**

This Code may be amended or modified by the Board after due consideration with Managing Director/ Compliance Officer. Any waiver of any provision of this Code for a Director and the Employee must be approved in writing by the Board of Directors. The Code and subsequent amendment(s) thereto, shall be published on the website of the Company.

