

**RATNATRIS PHARMACEUTICALS PRIVATE  
LIMITED**

**TERMS AND CONDITIONS OF APPOINTMENT OF  
INDEPENDENT DIRECTORS**

## **TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTOR**

The Terms and Conditions of appointment of Independent Director, which shall, in any event be subject to the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as may be applicable and the Articles of Association of the Company, are set out below:

### **TERMS OF APPOINTMENT**

1. The tenure/ term of appointment shall be, as may be determined by the Nomination and Remuneration Committee, the Board and the shareholders in accordance with applicable laws.
2. In compliance with provision Section 149(13) of the Companies Act, 2013, Independent Directors are not liable to retire by rotation.
3. Re-appointment at the end of the Term shall be based on the recommendations of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders. The re-appointment would be considered by the Board based on the outcome of the performance evaluation process and the directors continuing to meet the independence criteria.
4. During the term of the appointment, the Independent Director may be asked to serve as Member/Chairperson on one or more Committees of the Board as determined by the Board of the Directors from time to time. The Board reserves the right to alter the composition of such Committees(s) by the addition, removal or alteration of the position(s). The Independent Directors shall adhere and support the execution of such Board mandate(s) as are approved from time to time.
5. The appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in Section 149(6) or Listing Regulations or on the occurrence of any event as defined in section 167 of the Companies Act, 2013. Upon termination or upon resignation for any reason, duly intimated to the Company, Independent Directors will not be entitled to any compensation for loss of office.

### **RESIGNATION**

Independent Directors may resign from their position at any time and should they wish to do so, they are requested to serve a reasonable written notice to the Board along with detailed reasons for such resignation. In terms of provisions of the Companies Act, 2013, they are required to file a copy of their resignation letter with the Registrar of Companies.

## **TIME COMMITMENT**

Independent Directors agree to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as Independent Director.

## **ROLE AND RESPONSIBILITY**

An Independent Director, will be bound by the Code for Independent Directors as mentioned under Schedule IV to the Companies Act, 2013 and such other policies/requirements as the Board may devise/specify under any other rules and regulations applicable to the Company from time to time.

The duties/liabilities of Independent Director shall be as prescribed under the Companies Act, 2013, listing regulations and any other rules or regulations as applicable to the Company.

## **CODE OF CONDUCT**

During the term, Independent Directors shall comply with the following codes/ policies adopted by the Company:

- Code of Conduct for Board of Directors and Senior Management
- Code of Conduct for Prevention of Insider Trading
- Such other policies/ requirements as the Board of Directors may from time-to-time devise/ specify.

## **CONFIDENTIALITY**

1. All information acquired concerning the Company and any Group Companies (including wholly owned subsidiaries, if any) during appointment is confidential to the Company and shall not be released, either during appointment or following termination (by whatever means) to third parties without prior clearance from the Company unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, Independent Directors shall surrender any documents and other materials made available to them by the Company.
2. Attention is also drawn to the requirements under the applicable regulations and the Company's Insider Trading Code which concern the disclosure of price sensitive information and dealing in the securities of the Company. Consequently, Independent Directors should avoid making any statement so performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Company Secretary.
3. The obligation of confidentiality shall survive cessation of their respective directorship with the company. Publication of the letter of appointment In line with provisions of Clause IV (6) of Schedule IV to the Companies Act, 2013 and Listing Regulations, the Company will make public the terms and conditions of appointment of Independent Directors and will also arrange for it to be displayed on the Company's website.

## **STATUS OF APPOINTMENT AND REMUNERATION**

1. Independent Directors will not be employees of the Company and their appointment letter shall not constitute a contract of employment. They will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board. In addition to the sitting fees, commission that may be determined by the Board may also be payable to them. In determining the amount of this commission, the Board, supported by the Nomination and Remuneration Committee, may consider performance of the Company and their performance as evaluated by the Board.
2. Independent Directors have no entitlement to any bonus during the appointment and no entitlement to participate in any employee stock option scheme operated by the Company or any Group Company.

## **REIMBURSEMENT OF EXPENSES**

The Company may pay or reimburse to the Director such expenditure, as may have been incurred by them while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by them for accommodation, travel and any out-of-pocket expenses for attending Board/ Committee Meetings, General Meetings, Court Convened Meetings, Meetings with Shareholders/Creditors/Management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of their duties as Independent Directors.

There may be occasions when Independent Directors consider that they need professional advice in furtherance of their duties as Director and it will be appropriate for them to consult independent advisers at the Company's expense. The Company will reimburse full cost of expenditure incurred in accordance with the Company's policy.

## **TRAINING AND DEVELOPMENT**

The Company shall conduct familiarization programs for its Independent Directors which may include any or all of the following:

- Board roles and responsibilities, whilst seeking to build working relationship among the Board members,
- Company's vision, strategic direction, core values, ethics and corporate governance practices,
- Familiarization with financial matters, management team and business operations,
- Meetings with stakeholders, visits to business locations and meetings with senior and middle management.

The Company may, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the Company and its Business.

## **INSURANCE**

The Company has Directors' and Officers' liability insurance and it is intended that the Company will assume and maintain such cover for the full term of appointment of Independent Directors.

## **PERFORMANCE APPRAISAL / EVALUATION PROCESS**

As members of the Board, Independent Directors' performance as well as the performance of the entire Board and its Committees will be evaluated annually. Evaluation of each director shall be done by all the other directors. The evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee.

## **DISCLOSURES, OTHER DIRECTORSHIPS AND BUSINESS INTERESTS**

During the Term, they agree to promptly notify the Company of any change in their directorships, Memberships and provide such other disclosures and information as may be required under the applicable laws. They also agree that upon becoming aware of any potential conflict of interest with their position as Independent Director of the Company, they shall promptly disclose the same to the Chairman and the Company Secretary.

During their Term, they agree to promptly provide a declaration under Section 149(7) of the 2013 Act, upon any change in circumstances which may affect their status as an Independent Director.

## **CHANGES OF PERSONAL DETAILS**

During the Term, they shall promptly intimate the Company Secretary and the Ministry of Corporate Affairs in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

## **GENERAL**

The appointment of Independent Directors and any non-contractual obligations arising out thereof shall be governed by and be construed in accordance with, the laws of India, and the parties agree to submit to the exclusive jurisdiction of the courts of Ahmedabad.

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