

## **AKUMS DRUGS AND PHARMACEUTICALS LIMITED**

**Terms and conditions of appointment of the Independent Director of the Company in accordance with the requirements of Schedule IV to the Companies Act, 2013 (the “Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”):**

### **I. Terms of Appointment:**

The term of appointment of an Independent Director (ID) of the Company is for a period of 5 consecutive years from the date of his/ her appointment. Independent Director is not liable to retire by rotation.

Appointment of every independent director shall be approved by members’ of the Company.

An Independent Directors will serve for not more than two terms of five years each on the Board of the Company subject to the maximum tenure of ten years as prescribed under the Companies Act, 2013.

Appointment for the second term as an Independent Director shall be based on the recommendation of the Nominations & Remuneration Committee of the Board and subject to approval of the Board of Directors (the ‘Board’) and of the Shareholders by way of special resolution. The re-appointment would be considered by the Board based on evaluation of the performance and further subject to satisfying the requisite criteria of Independence as specified in the Companies Act, 2013.

The appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013.

The term Independent Director should be construed as defined under the Companies Act, 2013.

### **II. Other Terms and Conditions**

#### **1. Committees**

**1.1** During the term of appointment, the Independent Director may be required to serve on one or more committees of the Board, i.e. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, Stakeholders’ Relationship Committee or such other Committees, as the Board may decide.

**1.2** The Independent Director is an independent non-executive director and will be identified as such in the annual report and other documentation of the Company. If circumstances change, and he/she believes that his/her independence will be in doubt, he/she should discuss the same with the Company Secretary of the Company as soon as practicable.

#### **2. Duties and Liabilities**

**2.1** The Independent Director will perform his/her fiduciary duties in a responsible manner and his/her general legal responsibilities to the Company will be at par with Non- executive Director.

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2.2 The Independent Director shall act in accordance with the Articles of Association of the Company and while discharging his/her duties, comply with the requirements of Section 166 and Schedule IV of the Companies Act, 2013 ("the Act").

2.3 The Independent Director will be held liable only in respect of such acts of omission or commission by the Company which have occurred with his/her knowledge, attributable through Board processes, and with his/her consent or where he/she has not acted diligently.

### **3. Code for Independent Director**

3.1 The Company has relied on the declaration of the Independent Director that he/she meets the criteria of independence as provided in Section 149(6) of the Act as also in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

3.2 The Independent Director will be required to abide by the guidelines as to professional conduct for independent directors as set out in Section 149(8) read with Schedule IV to the Act.

3.3 The Independent Director will be required to comply with applicable provisions of any Code of Conduct framed by the Board for all Board members and Senior Management of the Company under the Listing Regulations.

### **4. Restrictions**

4.1 During the term of appointment, an Independent Director shall not serve as:

(a) an independent director in more than the prescribed number of companies; and

(b) a committee member of more than the prescribed number of committees including chairmanship of such committees.

4.2 During the term of appointment, Directors are prohibited from dealing in the Company's securities during the period when the trading window is closed. They are expected to comply with the Company's code for securities dealing as well as with the concerned provisions of the Insider Trading Laws and Regulations.

4.3 During the term of Appointment, (a) Independent Director will not enter into any agreement for himself/herself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company; and (b) Independent Director will not enter into any such agreement referred to in (a) above without obtaining the prior approval from the Board of Directors as well as public shareholders of the Company.

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### **5. Time Commitment**

By accepting the appointment, the Independent Director confirms that he/she will be able to allocate sufficient time to perform his/her duties as a Director of the Company and attend meetings of the Board or any Committee thereof. In addition to such attendances, he/she will also be expected to devote appropriate preparation time ahead of each meeting.

### **6. Training and Development**

6.1 The Independent Director will be invited to attend ongoing training and familiarization sessions including site visits.

6.2 The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

6.3 Periodic presentations are made at the Board and Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.

### **7. Evaluation Process**

The performance of individual directors shall be evaluated by the entire Board, excluding the director being evaluated, on an annual basis.

### **8. Remuneration**

In consideration of the Independent Director's services, the Company will pay the Independent Director, sitting fees as decided by the Board for attending each meeting of the Board or any committee thereof or any other meeting of Directors; and payment against availment of professional services as allowed under the applicable laws.

### **9. Expenses**

In addition to the remuneration stated in the preceding paragraph, the Company will reimburse the Independent Director, or bear and pay, all travel, conveyance, accommodation or other expenses incurred as a result of carrying out his/her duties as a director. The Independent Director may, at the Company's expense, seek independent legal or other professional advice wherever necessary to perform his/her duties and will be entitled to reimbursement of costs incurred in seeking such advice. In these circumstances, Independent Director should discuss the issues concerned with the Company Secretary of the Company in advance.

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### **10. Confidentiality**

The Independent Director agrees that both during and after the term of appointment, Independent Directors will not use for his/her own, or for another's benefit, or disclose or permit the disclosure of any confidential information relating to the Company, its holding, subsidiary or associate companies, which he/she may acquire by virtue of his/her position as an independent director of the Company, including without limitation, any information about the deliberations of the Board.

The restriction shall cease to apply to any confidential information which may (other than by reason of the director's breach of this term), become available to the public generally.

### **11. Insurance**

The Company has Directors' and Officers' ("D&O") liability insurance cover and it is intended to maintain such cover for the full term of the appointment. The Independent Director may obtain details of such insurance from the Company Secretary.

### **12. Indemnity**

The directors are granted an indemnity from the Company in respect of liabilities incurred as a result of their office, to the extent permitted by law.

### **13. Governing Law**

The appointment and the terms hereunder are governed by the laws of India, and subject to jurisdiction of Courts in Mumbai.

### **14. Relationship**

14.1 The appointment constitutes neither a contract for services nor a service contract.

14.2 There will be no relationship of employer and employee as a consequence of appointment as an Independent Director of the Company.

### **15. Authority**

The letter of appointment will be issued under the authority of the Board.

**For & on behalf of  
Akums Drugs and Pharmaceuticals Limited**

**Dharamvir Malik  
Company Secretary**