

## **JYOTHY LABORATORIES LIMITED**

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

#### **Appointment:**

Appointment will be subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the Listing Agreement.

#### **Status of Appointment:**

The Independent Director will not be an employee of the Company.

#### **Committee Involvement:**

The Board of Directors (the Board) may, if it deems fit, invite Independent Directors for being appointed on one or more existing Board Committees or any such Committee that is set up in the future.

#### **Code of Conduct for Independent Directors:**

The Code for Independent Directors as prescribed in Schedule IV of Companies Act, 2013 will be applicable.

An Independent Director is also required to abide to the Code of Conduct formulated for Board Members and Senior Management.

#### **Directors' and Officers' Insurance:**

The Company has in place HDFC ERGO Signature Management Liability policy and Independent Directors will be covered under the same.

#### **Remuneration:**

Subject to the provisions of the Companies Act, 2013 and Rules thereto and the Articles of Association of the Company, Independent Director will be entitled to:

- i. sitting fees for attending meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time, and
- ii. remuneration by way of commission as may be approved by the Board and the Shareholders from time to time.

**Reimbursement of Expenses:**

The Company will reimburse Independent Director for all direct expenses such as accommodation, travelling expenses and other expenses, reasonably and properly incurred for attending the meetings.

**Evaluation:**

The Company has adopted a policy on Board Evaluation. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. As per the Policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. Appointment and re-appointment of Independent Directors on the Board shall be subject to the outcome of the yearly evaluation process.

**Disclosure/ Conflict of Interest:**

Independent Directors shall disclose/ declare their interests as a shareholder, director, officer, partner, proprietor or trustee of other companies or entities to the Board in the prescribed form at the time of their appointment, at the time of any change therein, and a general notice of interest before the commencement of every financial year thereafter.

**Shareholdings by Directors in the Company:**

While buying or selling shares of the Company, Independent Directors are expected to strictly observe the provisions of the Company's code of conduct in respect of insider trading and all relevant legislative and regulatory procedures including, in particular, Companies Act, 2013, SEBI Rules/Regulations, and Listing agreements with stock exchanges.

**Confidentiality:**

All information acquired by Independent Directors during their appointment is confidential to the Company and should not be disclosed either during appointment or following termination (by whatever means) to third parties except as required by law and with prior clearance from the Chairman.

Independent Directors are also required to abide to the Company's Code, SEBI and other regulations with regard to disclosure of price sensitive information and dealing in shares of the Company. They should therefore avoid making any statements or performing any transaction that might risk breach of these requirements without prior clearance from the Chairman or Secretary of the Company.

**Termination:**

Independent Director may resign from his position at any time by serving a reasonable written notice on the Board.

Continuation of appointment of Independent Director is contingent on getting re-elected by the shareholders in accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company.

Independent Directors will not be entitled to any compensation for loss of office, if the shareholders do not re-elect you at any time or their appointment gets terminated in accordance with the provisions of the Articles of Association of the Company or any corporate laws.

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