

**PANACEA BIOTEC LIMITED**

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

The terms and conditions of the appointment of the Independent Directors are subject to the provisions of the Companies Act, 2013 read with relevant rules (including any statutory modification(s) or re-enactment thereof, for the time being in force), Clause 49 of the Listing Agreement (as amended from time to time) and the Articles of Association of the Company.

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

**Terms of Appointment:**

1. The appointment will be as a Non-Executive Independent Director on the Board of Directors of the Company, in terms of the provisions of the Companies Act, 2013 read with clause 49 of the Listing Agreement (including any subsequent amendment thereof).
2. The appointment will be for a term of five years or a shorter term as may be decided by the Board of Directors.
3. In terms of provisions of Section 149(13) of the Companies Act, 2013 a Non-Executive Independent Director shall not be subject to retirement by rotation at the annual general meeting.
4. The continuance of the position as independent director shall be subject to fulfillment of certain parameters of independence as defined in section 149(6) or on the occurrence of any event as defined in Section 167 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.
5. Upon termination of directorship, by way of resignation or otherwise, no independent director shall entitled for any compensation for loss of office.

**Time Commitment:**

6. As a Non-Executive independent director they are expected to bring objectivity and independent view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance and risk management as well as ensuring high standards of financial probity and corporate governance.

The Board generally meets four to five times in a year. Additionally, meetings of various committees like Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee etc takes place as and when required. The directors are expected to regularly attend the meetings of the Board as well as meetings of the Committees of the Board

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to which they may be appointed and Shareholders meetings. The directors are expected to devote such time to their duties, as appropriate for them to discharge their obligations as such effectively. Ordinarily, all the Board and Committee meetings are held on working days at corporate office of the Company at New Delhi.

### **Remuneration**

7. They will be entitled to such sitting fees as may be decided by the Board of Directors from time to time as per the provisions of the Companies Act, 2013, with respect to the Board and Committee meetings attended by them.
8. In addition to the sitting fee, the Company will, during the period of their appointment, reimburse them for all travel, hotel and other incidental expenses incurred for attending meetings of the Board and Committees thereof and the shareholders meetings.
9. The Company neither has any Employee Stock Option Scheme (ESOP) nor is any Independent Director entitled for the same.

### **Role and Responsibilities**

10. Their role and duties will be those normally required of a Non-Executive independent director under the Companies Act, 2013 and the Listing Agreement. There are certain duties prescribed for all the directors, both Executive and Non-Executive, which are fiduciary in nature and are summarized as under:
  - i. He/she shall act in accordance with the Company's Articles of Association.
  - ii. He/she shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company.
  - iii. He/she shall discharge duties with due and reasonable care, skill and diligence.
  - iv. He/she shall not involve in a situation in which he/she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
  - v. He/she shall not achieve or attempt to achieve any undue gain or advantage.
  - vi. He/she shall not assign office as director and any assignment so made shall be void.

In addition to the above requirements, the Board also expects them to perform the following functions:

- i. He/she should constructively challenge and help develop proposals on strategy for growth of the Company.
- ii. He/she should evaluate the performance of management.
- iii. He/she should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible.
- iv. He/she should advise for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning.

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- v. He/she should advise the processes for accurately reporting on performance and the financial position of Company.
- vi. He/she should keep governance and compliance with the applicable legislation and regulations under review and the conformity of Company's practices to accepted norms.

### **Status of Appointment**

- 11. He/she will not be an employee of the Company and his/her appointment shall not constitute a contract of employment.

### **Independent Professional Advice**

- 12. There may be occasions when the directors need professional advice in furtherance of their duties as a director and it will be appropriate for them to consult independent advisers at the Company's expense with prior written intimation to the Company. The Company will reimburse full cost of expenditure incurred in accordance with the Company's policy.

### **Insurance**

- 13. 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 their appointment.

### **Conflict of Interest**

- 14. It is accepted that the independent director may have business interests other than those of the Company. He/she are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of his/her appointment and at subsequent applicable times.
- 15. In the event that circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to change its judgement that he/she are independent, this should be disclosed to the Chairman or Managing Director / Joint Managing Director or Company Secretary.

### **Disclosure of interest**

- 16. Any material interest that a director may have in any transaction or arrangement that the Company has entered into should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record their interest appropriately. A general notice that he/she is interested in any contract with a particular person, firm or company is acceptable.

### **Evaluation**

- 17. The Board of Directors will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. The re-appointment, if any on the Board shall be subject to the outcome of the yearly evaluation process.

*H. H. Kumar Jain*

### **Confidentiality**

18. All information acquired during the appointment is confidential to the Company and should not be released, either during the term of appointment or afterwards unless required by law or by the rules of any stock exchange or regulatory body.

### **Code of Conduct**

19. During the tenure as director, he/she is required to comply with the regulations as contained in Schedule IV to the Companies Act, 2013 (Code for Independent Directors) and the following codes of conduct of the Company:
- (i) Code of Conduct for Board Members and Senior Management;
  - (ii) Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices of the Company.

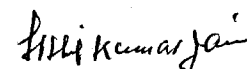
### **Membership of Committees**

20. The Board of Directors may appoint the independent director as Member / Chairman of one or more of its committees which will be covered in a separate communication setting out the relevant terms of reference and any specific responsibilities.

### **Resignation / Termination**

21. The director may resign from his/her position at any time and should they wish to do so, he/she is requested to serve a reasonable written notice on the Board. Further, in terms of provisions of the Companies Act, 2013, he/she is required to electronically file the requisite intimation along with a copy of his/her resignation letter with the Registrar of Companies within a period of 30 days of resignation.
22. Continuation of the director's appointment is contingent on he/she being re-elected by the shareholders in accordance with provisions of the Companies Act, 2013 and the Articles of Association of the Company from time to time. He/she will not be entitled to any compensation if the shareholders do not re-elect him/her at any time.
23. The office of director may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

For and on behalf of Board



Soshil Kumar Jain  
Chairman