



# **GENPHARMASEC LIMITED**

**(Formerly Known as Generic Pharmasec Limited)**

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

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### **1. INTRODUCTION:**

Schedule IV of the Companies Act, 2013 provide for the model code of conduct and guide to Independent Directors and Regulation 25 of Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with applicable rules and regulations provide for the duties, obligation, roles and appointment of independent directors in a listed Company.

Pursuant to Regulation 46(2)(b) requires every listed company is to disseminate on its website terms and conditions of appointment of independent directors

The Appointment of the Independent Directors by the Company will be in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **2. APPOINTMENT / RE-APPOINTMENT OF AN INDEPENDENT DIRECTOR:**

- a. Subject to the provisions of Sections 149 and 152 of the Companies Act, 2013, the rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the term of appointment of Independent Director is for a period not exceeding 5 years. The appointment is subject to the approval of the shareholders at the ensuing Annual General Meeting. They shall be eligible to serve for another period of 5 years, subject to the provisions of the Act.
- b. The Board may, if it deems fit, invite ID for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. The appointment on such Committee(s) will be subject to applicable law.
- c. Independent directors will not be liable to retire by rotation.

### **3. ROLES, RESPONSIBILITIES & OBLIGATIONS:**

- a. The role, functions and duties of Independent Director will as prescribed under Section 149(8) read with Schedule IV of the Act Companies Act, 2013 and Regulation 25 of the Listing Regulations.
- b. Independent Director shall adhere to the guidelines for professional conduct set out under the under Schedule IV of the Companies Act, 2013.
- c. Independent Director is expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective inputs in relation to the Company's strategy, performance and risk management as well as ensuring high standards of financial probity and corporate governance.
- d. As a member of the Board the Independent Director along with the other Directors will be collectively be responsible for meeting the objective of the Board.
- e. Independent Director will be held liable only in respect of such omission or commission which has occurred with their knowledge, attributable through Board processes, or with their consent or connivance or where they have not acted diligently.
- f. Independent Director is expected to perform their fiduciary duties and exercise proper care diligence as expected forms them.

#### **4. REMUNERATION AND REIMBURSEMENT OF EXPENSES:**

- Independent Director will be paid such remuneration by way of sitting fees for attending meetings of the Board and its Committees as may be decided by the Board from time. The remuneration shall be subject to applicable taxes and the Company may withhold therefrom any amounts as are required to be withheld pursuant to applicable law.
- They shall be entitled to reimbursement of expenses incurred in connection with attending the Board meetings, Board Committee meetings, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.

#### **5. CONFLICT OF INTEREST:**

One of the major criteria for Independent Directors is their independent judgment and views therefore they are required to declare to the Company any directorships, appointments and interests to the Board which will give rise to any conflicts of interest and affect their judgment and views

#### **6. OTHER TERM & CONDITIONS:**

##### **a. Code of conduct:**

During the tenure of Independent Directors appointment, Independent Directors are required to comply with Schedule IV of the Companies Act, 2013 and all relevant regulations as may be issued by the Listing Authority with regard to insider trading and other market related matters from time to time. Independent Director will also adhere to the code of conduct as may be notified by the Board of Directors of the Company for its directors and other employees.

##### **b. Performance Evaluation:**

Independent Directors reappointment or extension of term and their remuneration will be recommended by the Nomination and Remuneration Committee of the Board, pursuant to a performance evaluation carried out by the Board as per the requirements of the Act and the Listing Regulations.

##### **c. Retirement or Termination:**

The directorship of Independent Directors on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Companies Act, 2013, Independent Directors directorship may be terminated for violation of any provision of the Company's Code of Conduct as applicable to Non-Executive Directors.

Independent Directors may resign from his position at any time by serving a reasonable written notice on the Board stating out the reason for resignation.

##### **d. Induction and development:**

The Company from time to time brief and update the Independent Directors on all business related and other important matter

##### **e. Confidentiality:**

All information in relation to the Company acquired by Independent Directors during the appointment and tenure is confidential and should not be disclosed to third parties unless required by law.