

# Terms and Conditions of Independent Directors

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## Contents

1. INTRODUCTION .....	3
2. DEFINITIONS.....	3
3. TERMS OF APPOINTMENT .....	3
4. TERMINATION.....	4
5. ROLES, FUNCTIONS AND DUTIES.....	4
6. LIABILITIES .....	5
7. BOARD COMMITTEES.....	5
8. REMUNERATION.....	5
9. REIMBURSEMENT OF EXPENSES .....	6
10. INSURANCE .....	6
11. INDEPENDENT PROFESSIONAL ADVICE.....	6
12. TRAINING AND DEVELOPMENT .....	6
13. PERFORMANCE APPRAISAL / EVALUATION PROCESS .....	7
14. DISCLOSURE OF OTHER DIRECTORSHIPS AND BUSINESS INTERESTS .....	7
15. CONFLICT OF INTEREST .....	7
16. CODE OF CONDUCT.....	7
17. CONFIDENTIALITY.....	8
18. CHANGES OF PERSONAL DETAILS .....	8
19. GENERAL .....	8
20. Annexure Z: Revision History.....	9
a. Document Approval Information.....	9
b. Revision Summary.....	9

## 1. INTRODUCTION

The terms and conditions of the appointment of Independent Directors of Indegene Limited (“**the Company**”), which shall, in any event be subject to the provisions of the Companies Act, 2013, as amended (“**the Act**”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**the Listing Regulations**”) and the Articles of Association of the Company, are set out below:

## 2. DEFINITIONS

- a. “**Board**” means the board of directors of the Company, as constituted from time to time;
- b. “**Directors**” shall mean all the members of the Board of Directors of the Company, including the Non - executive Directors, Executive Directors and Independent Directors;
- c. “**Executive Directors**” shall mean the Board Members who are in whole-time employment of the Company;
- d. “**Independent Directors**” shall mean the Board Members as defined under Section 2 (47) read with 149(5) of the Act;
- e. “**Nomination and Remuneration Committee**” shall mean Nomination and Remuneration Committee of the Board;
- f. “**Shareholders**” shall mean shareholders of the Company.

## 3. TERMS OF APPOINTMENT

- a. The appointment of Independent Directors will be made for a term up to five consecutive years on the passing of a special resolution by the shareholders, but shall be eligible for re-appointment on passing of a special resolution by the company and disclosure of such appointment in the Board’s report. The Company may remove Independent Directors prior to completion of the term, subject to compliance of relevant provisions of the Act and Articles of Association of the Company.
- b. The Independent Directors will be reappointed for another term of five consecutive years after the expiration of the first term mentioned above subject to their own wishes and approval of the Board and approval of Shareholders through special resolution, and subject to compliance with and in accordance with the Act, and any other law for the time being in force including the Listing Regulations as amended from time to time, as applicable to the Company.
- c. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director. Provided that such Independent Director shall not during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- d. Re-appointment at the end of the term shall be based on the recommendation 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.

- e. The provisions of Section 152(6) and 152(7) of the Act with respect to retirement of Directors by rotation at each annual general meeting of the Company shall not be applicable to Independent Director.
- f. Further, a person shall not serve as an independent director in more than seven listed entities, and at least one independent director on the Board of the Company shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.

#### 4. TERMINATION

- a. Notwithstanding anything contained herein, the appointment of Independent Directors 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 under Section 149(6) of the Act or Listing Regulations or on the occurrence of any event as defined under Section 167 of the Act.
- b. The resignation or removal of an Independent Director shall be in the same manner as is provided in Sections 168 and 169 of the Act. The Independent Directors may resign from the Office of Director by issuing a notice to that effect to the Company in writing stating therein, the reasons for resignation. Such resignation shall either be effective from the date of receipt of resignation by the Company or the date that may have been specified in the notice whichever is later. In terms of provisions of the Act, at their option, they may file a copy of their resignation letter with the Registrar of Companies.
- c. The removal of an independent director of the Company shall be subject to the approval of shareholders by way of a special resolution in accordance with the Listing Regulations.
- d. Independent Directors will not be entitled to any compensation for loss of office.

#### 5. ROLES, FUNCTIONS AND DUTIES

- a. As Members of the Board, the Independent Directors along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:
  - I. Requirements under the Act read with Schedule IV of the Act.
  - II. Responsibilities of the Board as outlined in the Corporate Governance requirements as prescribed by the Stock Exchange(s) and under Regulation 4(2)(f) the Listing Regulations.
  - III. Accountability under the Directors' Responsibility Statement.
  - IV. The roles and duties of Independent Directors will be those normally required of a Non-Executive Independent Director under the provisions of the Act and the Listing Regulations. There are certain duties prescribed for all the Directors, both executive and non-executive, which are fiduciary in nature and are as under:
    - 1. Act in accordance with the Company's Articles of Association.
    - 2. 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.
    - 3. Discharge duties with due and reasonable care, skill and diligence.
    - 4. Not involve in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
    - 5. Not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.

6. Not assign their office as Director and any assignments so made shall be void.
  7. Agree to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as Independent Director.
- b. In addition to the above requirements, the Board of Directors also expects Independent Directors to perform the following functions:
- I. Constructively challenge and help develop proposals on strategy for growth of the Company.
  - II. Evaluate the performance of management in meeting agreed goals and objectives.
  - III. Satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are effective and defensible.
  - IV. Determine appropriate levels of remuneration of executive directors and play a prime role in appointing, and where necessary, removing executive directors and in succession planning.
  - V. Take responsibility for the processes for accurately reporting on performance and the financial position of the Company.
  - VI. Keep Governance and Compliances with the applicable legislation and regulations under review and the conformity of Company's practices to accepted norms.
  - VII. Hold at least one meeting in a financial year with other Independent Directors without the attendance of other non-independent directors and members of management to review the performance of the Non-Independent Directors and Board as a whole, including performance of Chairman of the Company, taking into account the views of executive directors and non-executive directors, and assess the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## 6. LIABILITIES

- a. Though the Board as a whole is collectively responsible for promoting the success of the Company by directing and supervising its affairs in a responsible and effective manner, in capacity as an Independent Director, they will be liable in respect of such acts of omission or commission by the Company which had occurred with the knowledge of them, attributable through Board processes, and with the consent or connivance them, or where they have not acted diligently.
- b. Any breach of duties specified or expected of them as an Independent Director may expose to penal consequences as specified under the Act or any other applicable law in force.

## 7. BOARD COMMITTEES

Independent Directors may also be appointed as member(s) of the audit committee, the nomination and remuneration committee, the corporate social responsibility committee and/or the stakeholders' relationship committee or any other committee as and when Board decides.

## 8. REMUNERATION

- a. Independent Directors will not be employees of the Company and their appointment letter shall not constitute a contract of employment. The Independent Directors 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.

- b. In addition to the sitting fees, commission that may be determined by the Board may also be paid 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.
- c. 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.

However, the commission and the sitting fees may be subject to change as may be reviewed and recommended by Nomination and Remuneration Committee (NRC) and approved by the Board and/or in accordance with the limits as prescribed under the Act.

## **9. 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.

## **10. INSURANCE**

The Company has obtained 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, subject to the terms of such policy in force from time to time.

## **11. INDEPENDENT PROFESSIONAL ADVICE**

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.

## **12. TRAINING AND DEVELOPMENT**

The Company may, if required, conduct formal Training Program for its Independent Directors. 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. The Company will fund/arrange for training on all matters which are common to the whole Board.

### **13. PERFORMANCE APPRAISAL / EVALUATION PROCESS**

- a. As Independent Directors are the Members of the Board, their 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.
- b. The criteria for performance evaluation will be as determined by the Nomination and Remuneration Committee, in accordance with the Listing Regulations and other applicable law. The evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee.

### **14. DISCLOSURE OF OTHER DIRECTORSHIPS AND BUSINESS INTERESTS**

- a. At the first meeting of the Board in every financial year of the Company or whenever there is any change in the circumstances which may affect Independent Directors' status as an Independent Director, they are required to give a declaration to that effect confirming that they meet the criteria of Independence as required under section 149 of the Act and as provided in clause (b) of sub-regulation (1) of regulation 16 and that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his/her duties with an objective independent judgment and without external influence.
- b. Independent Director shall agree to furnish disclosure of interest to the Company as required under section 184 and declaration as required under section 164(2) of the Act.

### **15. CONFLICT OF INTEREST**

- a. It is accepted and acknowledged that Independent Directors may have business interests other than those of the Company. As part of terms and conditions of appointment, they are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of appointment.
- b. 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 revise its judgement that they are independent, this should be disclosed to both the Chairman and the Company Secretary.
- c. They shall not participate in any business activity which might impact the application of their independent judgement in the best interest of the Company.

### **16. CODE OF CONDUCT**

During the appointment, Independent Directors are required to comply with relevant Regulations as contained in Schedule IV under the Act including the following Codes of conduct of the Company:

- a. Code of Conduct for Board of Directors and Senior Management,
- b. Code of Internal Procedures and Conduct for prevention of Insider Trading in Securities of the Company

## 17. CONFIDENTIALITY

- a. All information acquired 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.
- b. 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 statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Company Secretary.
- c. 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 Act and the 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.

## 18. CHANGES OF PERSONAL DETAILS

During the Term, Independent Directors shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

## 19. 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 Karnataka.



## 20. Annexure Z: Revision History

### a. Document Approval Information

Document Owner		Finance and Legal	
Author(s) Name & Designation(s)	25th March 2024	Srishti Kaushik Company Secretary & Compliance Officer	Reviewed and approved at the meeting of the Board of Directors held on 25 <sup>th</sup> March 2024
Reviewer(s) Name & Designation(s)	25th March 2024	Karthik Kannappan Vice President	
Approver Name & Designation(s)	25th March 2024	Board of Directors	
Final Reviewer Name & Designation(s)	25th March 2024	Harsha Haridas Business Process Lead - RAC	

### b. Revision Summary

Ver. No.	Ver. Date	Revised By	Description	Filename
3.0	25 <sup>th</sup> March 2024	Srishti Kaushik	Clarification on the termination clause removal of an independent director shall be as per SEBI LODR and clarification Disclosure Of Other Directorships And Business Interests that could impair or impact his ability to discharge the director's duties	Terms And Conditions of Independent Directors_V3.0
2.0	25 <sup>th</sup> January 2024	Srishti Kaushik	Annual review by Board of Directors. No changes incorporated.	Terms And Conditions of Independent Directors V2.0
1.0	9 <sup>th</sup> December 2022	Srishti Kaushik	This is a base line document	Terms And Conditions of Independent Directors V1.0