



**Mr. ....**  
**Additional Director**  
**Address,**  
**New Delhi-110057**

Dear Sir,

We are pleased to inform you that upon the recommendation of Nomination and Remuneration Committee of the Board and approval of Board of Directors of the Company in their meeting held on 5<sup>th</sup> June, 2020, you are being appointed as an Additional Director (Independent Director) on the Board of the Company w.e.f. 5<sup>th</sup> June, 2020 for a period of 5 years upto the conclusion of the 30<sup>th</sup> Annual General Meeting held in the year 2025. The appointment is governed by the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the appointment is subject to regularization by the Shareholders in their forth-coming Annual General Meeting.

You may also kindly note the following in respect of your appointment:-

1. The term of Independent Director should be considered as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
2. The provisions contained in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 shall apply as regards Performance Evaluation of the Independent Director is concerned.
3. The Board of Directors may, if deems fit, invite you for being appointed in one or more existing Committee(s) or any such Committee i.e. set up in future. Your appointment in such Committee(s) will be subject to the applicable statutory provisions.
4. Your role and duties will be those normally required of an Independent Director under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time. Further, there are certain duties prescribed for all Directors both Executive and Non-executive, which are as under :-
  - a) You shall act in accordance with Company's Memorandum and Articles of Association.
  - b) You shall act in good faith in order to promote objectives of the Company for the benefit of its Members as a whole and in the interest of the Company.
  - c) You shall discharge your duties with due and reasonable care, skill and diligence.
  - d) You shall not involve yourself in a situation in which you may have direct or indirect interest that conflicts or possibly may conflict with the interest of the Company.
  - e) You shall not achieve or attempt to achieve under undue gain or advance either to yourself or to your relatives, partners or associates.
  - f) You shall not assign the office of Director and any assignments so made shall be void.



- g) You shall also comply with the provision regarding maximum number of Directorship as contained in Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
- h) The Independent Director are also required to abide to the provisions of Code of Conduct for Independent Directors as provided in Schedule IV of Companies Act, 2013. A copy of which is annexed for ready reference.
- i) Further, there are certain other Code of Conduct and Practices & Procedures for all Directors, which are required to be abide by the Independent Directors also. A copy of such relevant Codes are attached herewith for ready reference.
- j) You will not be an employee of the Company and this letter shall not constitute contract of employment.
- k) You will be paid remuneration by way of sitting fees for attending meeting(s) of the Board and its Committee(s) as may be decided by the Board of Directors from time to time.
- l) Further, you may also be paid remuneration by way of commission on profit(s) as may be approved by the Board and shareholders from time to time.
- m) The sitting fees, presently paid to Independent Directors is Rs. 50,000/- per Board meeting attended and Rs. 25,000/- per Committee meeting attended.
- n) In addition to the remuneration described as above, the Company will reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties as specified in Articles of Association of the Company.
- o) All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following cessation to third party without prior clearance from Competent Authority unless required by the law or by the rules of any Stock Exchange or other Regulatory Authority.
- p) The Company has "Directors and Officers Liability Insurance" and Independent Directors are covered in that insurance.
- q) The Company must be informed by the Director of any relation with any other Director or may have material interest in any transaction or arrangement that the Company has entered into. Such interest should be disclosed not later than when transaction or arrangement comes up at the Board meeting so that the minutes may record your interest appropriately and records to be updated accordingly. Further, the details regarding any relation with the Directors of the Company may be informed as on the date of appointment and from time to time as and when there is change.



- r) The general notice that you are entering in any contract with particular person or firm or Company is acceptable.
- s) In addition to the above said documents enclosed with this letter, we are also enclosing herewith the following Forms / Documents, which are required to be completed and duly signed by your goodself. The same should be sent to Company Secretary.

**Forms to be filled and signed:**

- Form DIR-2 pursuant to Section 152 (5) of the Companies Act, 2013. Please also provide brief profile, two passport size photos, copy of Identity Proof (PAN Card), Address Proof (Aadhar Card) and Passport.
- Form MBP-1 as required under Section 184(1) of the Companies Act, 2013. This general notice of interest is to be given every year. However, if there is any change during the year, the same may also be informed to us for information of the Board of Director in its next meeting.
- Details of Membership / Chairmanship held by you in Committees of the Board of other Companies in which you are Director.
- Form DIR-8 pursuant to Section 164(2) of Companies Act, 2013.
- Details of Shareholding in Poly Medicure Ltd. pursuant to Code of Internal Procedures and Conduct for prohibition of Insider Trading in dealing with shares of Poly Medicure Ltd.
- Code of Conduct for Board members and Senior Management Official of Poly Medicure Ltd.
- Declaration of Independency pursuant to Section 149(6) of Companies Act, 2013 pertaining to Director.
- Other documents

If you are willing to accept these terms of appointment relating to your appointment as an Independent Director of the Company, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Yours Sincerely,

**For Poly Medicure Limited**

**Himanshu Baid**  
**Managing Director**

I hereby acknowledge the receipt to accept the terms set out in this letter.

Signature:

Date:

**Schedule IV of Companies Act, 2013**  
[See section 149(8)]  
**CODE FOR INDEPENDENT DIRECTORS**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

**I. Guidelines of professional conduct:**

An independent director shall:

- 1) uphold ethical standards of integrity and probity;
- 2) act objectively and constructively while exercising his duties;
- 3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- 4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- 6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- 7) refrain from any action that would lead to loss of his independence;
- 8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- 9) assist the company in implementing the best corporate governance practices.

**II. Role and functions:**

The independent directors shall:

- 1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- 2) bring an objective view in the evaluation of the performance of board and management;
- 3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- 5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- 6) balance the conflicting interest of the stakeholders;
- 7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- 8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

**III. Duties:**

The independent directors shall—

- 1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;



- 2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- 3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- 4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 5) strive to attend the general meetings of the company;
- 6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- 7) keep themselves well informed about the company and the external environment in which it operates;
- 8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- 10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- 11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- 12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

#### **IV. Manner of appointment:**

- 1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- 2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- 3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfills the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- 4) The appointment of independent directors shall be formalized through a letter of appointment, which shall set out:
  - a. the term of appointment;
  - b. the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - c. the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - d. provision for Directors and Officers (D and O) insurance, if any;
  - e. the Code of Business Ethics that the company expects its directors and employees to follow;
  - f. the list of actions that a director should not do while functioning as such in the Company; and
  - g. the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.



- 5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- 6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

**V. Re-appointment:**

The re-appointment of independent director shall be on the basis of report of performance evaluation.

**VI. Resignation or removal:**

- 1) 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.
- 2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- 3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

**VII. Separate meetings:**

- 1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- 2) All the independent directors of the company shall strive to be present at such meeting;
- 3) The meeting shall:
  - a. review the performance of non-independent directors and the Board as a whole;
  - b. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
  - c. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**VIII. Evaluation mechanism:**

- 1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- 2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

**I hereby acknowledge receipt of and accept the terms set out in this letter.**

**Name and Signature of ID**