

Terms and Conditions of Appointment of Independent Directors

Zota Health Care Limited

1. Appointment

The Company has adopted the requirements under the provisions of Companies Act, 2013 including Rules and Regulations made there under, as modified, amended or substituted from time to time and as may be applicable with respect to appointment and tenure of Independent Directors.

Appointment of an Independent Director shall be made after receipt of declaration of Independence as per requirement of Companies Act and rules framed there under.

An Independent Director shall not be liable to retire by rotation in terms of the provisions of Companies Act, 2013.

An Independent Directors will serve for not more than two terms of five years each on the Board of the Company subject to the maximum tenure of ten years as prescribed under the Companies Act, 2013.

The appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013.

2. Committees

The Board of Directors may appoint any of the Independent Directors for being appointed as a Chairman or Committee members of any committee of Board as required to constitute under provisions of Companies Act, 2013 and rules framed thereunder or under provisions of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015. The appointment shall be subject to approval of the Independent Director.

3. Roles of the Independent Directors

The independent directors shall:

- I. help in bringing an independent judgment to bear on the Board's deliberations specially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- II. bring an objective view in the evaluation of the performance of board and management;
- III. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- IV. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- V. safeguard the interests of all stakeholders, particularly the minority shareholders;
- VI. balance the conflicting interest of the stakeholders;
- VII. 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;

- VIII. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

4. Duties

The independent directors shall—

- a) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- b) 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;
- c) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- d) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e) strive to attend the general meetings of the company;
- f) here 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;
- g) keep themselves well informed about the company and the external environment in which it operates;
- h) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i) 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;
- j) 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;
- k) report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- l) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- m) 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.

5. Remuneration

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 from time to time in accordance with the limits prescribed under the Companies Act, 2013 and rules made thereunder. Further, the Independent Directors will not be granted any options under any Employee Stock Options Schemes of the Company.

At present Company does not pay any sitting fees to the Independent Directors.

6. Reimbursement of Expenses

In addition to the remuneration as aforementioned, the Company shall reimburse all the expenses incurred by the Independent Directors for travel, hotel accommodation any other expenses incurred for participation in Board, Committee or General meeting of the Company.

7. Insurance

The Company shall provide Directors and Officers Liability Insurance to the Independent Directors.

8. Code of Conduct

The Board has formed Code of Conduct for Board Members and Senior Managerial Personnel, the Independent Directors shall require to adhere various norms, rules and regulations mentioned in the said code.

9. Performance Evaluation

Performance Evaluation of the Independent Directors shall be done annually by the Board of Directors. Nomination and Remuneration Committee of Board or Board of Directors shall determine various criteria for performance evaluation of the Independent Directors.

10. Disclosures

The Independent Directors shall on annual basis provide disclosure of interest and declaration of independence as per the norms laid down in the Companies Act, 2013 and rules framed thereunder. Apart from this the Independent Directors shall promptly notify the company about any change in general interest of the Independent Directors.

11. Termination

An Independent Director may resign from his/her position at any time by serving writing notice of resignation to the Board of Directors.

The appointment of the Independent Directors may also be terminated on violation of Company's Code of Conduct for Board Members and Senior Managerial Personnel or on violation of norms of the Companies Act, 2013.

Appointment or Re-appointment of the Independent Directors is subject to approval of shareholders in general meeting, if shareholders reject the resolution for appointment of an independent director then he/ she shall not entitle to appoint or re-appoint.