

# CK BIRLA HEALTHCARE PVT. LTD.

## TERMS & CONDITIONS OF APPOINTMENT AS INDEPENDENT DIRECTOR

### 1. Appointment –

#### A. Mr. Shyam Sunder Sharma – Non-Executive Independent Director

*Your appointment as a Non-Executive Independent Director on the Board of Directors of the Company shall be for a term of five consecutive years commencing from 31st March 2021 up to 30th March 2026, during which you shall not be liable to retire by rotation. Your appointment is subject to the provisions of the Companies Act, 2013 (“Act”) read with the Rules made thereunder, and the Articles of Association of the Company generally as a director and especially you are remaining independent with the business of the Company.*

#### B. Ms. Monika Srivastava – Non-Executive Woman Independent Director

*Your appointment as a Non-Executive Woman Independent Director on the Board of Directors of the Company shall be for a term of 5 consecutive years commencing with effect from the date of your appointment as Additional Director i.e., 31st March 2021 up to 30th March 2026, during which you shall not be liable to retire by rotation. Your appointment is subject to the provisions of the Companies Act, 2013 (“Act”) read with the Rules made thereunder, and Articles of Association of the Company generally as a director and especially you are remaining independent with the business of the Company.*

**Note: Your appointment is also subject to the maximum permissible directorships that one can hold as per the provisions of the Act.**

*As per the `Act`, a person shall not hold the office of director (including any alternate directorship) in more than 20 companies, and out of these public companies (including private companies that are either holding or subsidiary of a public company) shall not be more than 10. For more details kindly refer to section 165 of the Act.*

- i. You shall ensure that in case any situation arises as to which you may lose your independence, you will immediately inform the Board of Directors accordingly.*
- ii. The Company may disengage your office as Independent Director pursuant to compliance with relevant provisions of the Act or any other applicable laws.*
- iii. Your appointment as such is not as an employee of the Company and hence this letter shall not be construed as an employment contract.*
- iv. Kindly refer to sections 164 and 167 of the Act for provisions regarding disqualifications for appointment/continuing to remain a director.*

## **2. Board Committees**

*The Board of Directors (the Board) has also appointed you as a member of the Audit Committee and Nomination and Remuneration Committee of the company.*

*The Board of Directors (the Board) may, if it deems fit, invite you for being appointed to more existing Board Committees or any such Committee that is set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations.*

*Currently, the Board has 2 (two) committees: Audit Committee, and the Nominations & Remuneration Committee. The Board is responsible for constituting, assigning, co-opting, and fixing terms of service for committee members. The chairperson of the Board, in consultation with the Company Secretary, determines the frequency and duration of the committee meetings. Recommendations of the committees are submitted to the full Board for approval. The quorum for meetings will be as per the provisions of the act.*

## **3. Remuneration/Sitting Fees**

*You will be entitled to a sitting fee for attending the meetings of the board or committees of the board (of which you are a member) as may be decided by the Board. The sitting fee presently paid to an independent director is Rupees fifty thousand per meeting of the Board and Rupees Twenty-five Thousand per meeting for Committees of the Board*

## **4. Confidentiality**

*Any confidential information which may come to your knowledge in the performance of your duties as a Director of the Company must not be divulged, except so far as you may be liable to disclose under any law in force.*

## **5. Disclosure of Interest**

*As per the provision of the Companies Act, 2013 as amended from time to time, the Company must include in its Annual Accounts a note of any material interest that a director may have in any transaction or arrangement that the Company has entered into.*

## **6. Compliance with Code for Independent Director**

*Your attention is also drawn to the 'Code for an independent director' which is attached as Annexure 1. You are expected to ensure compliance with the same.*

## **7. Evaluation**

*The Company will carry out an evaluation of the performance of the Board as a whole, board committees, and individual directors on an annual basis. Your evaluation as an independent director shall include your performance, fulfillment of independence criteria as specified in the act, and your independence from management. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of your appointment as Non-executive Independent Director.*

## **8. Termination**

*You may resign from your position at any time, and should you wish to do so, you are requested to serve a written notice on the Board in advance.*

*Continuation of your appointment is contingent on your getting re-appointed by the shareholders in accordance with provisions of the Companies Act, 2013.*

*Your appointment may also be terminated in accordance with the provisions of the Companies Act, 2013, and as per the Articles of Association of the Company from time to time in force.*

## **9. Governing Law**

*This appointment and the terms hereinabove are governed by and will be interpreted in accordance with Indian laws.*

## **Annexure I**

### **Extract of Schedule V of the Companies Act, 2013:**

#### **CODE FOR 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 a 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 the board and management;
- (3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves with the integrity of financial information and those 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 recommending the 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 behavior, actual or suspected fraud, or violation of the company's code of conduct or ethics policy;
- (12) ["act within their 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 an 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 an 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 an independent director shall be on the basis of the 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 2["three months"] from the date of such resignation or removal, as the case may be.

(3) Where the company fulfills the requirement of independent directors on 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 3["in a financial 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 the 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.