

Letter of Appointment for Independent Director

Hyderabad

..... (Date)

Mr./ Mrs. (Name of the Independent Director)

..... (Address)

Sub: Appointment as an Independent Director

Dear Mr./ Mrs.,

We are pleased to inform that the shareholders of Laurus Labs Limited (“Laurus Labs” or “the Company”) at its (number) Annual General Meeting (“AGM”) held on (date) approved your appointment as an Independent Director of the Company, with effect from (date). Your appointment was approved and recommended to the shareholders by the Board of Directors of the Company (“Board”) at its meeting held on (date). This letter of appointment sets out the terms and conditions of your appointment, as detailed hereinbelow:

1. Term of appointment

- a. You are appointed as a Non-Executive Independent Director on the Board of the Company with effect from (date), for a term of 5 (five) consecutive years, from (date) to (date), in terms of approval given by the shareholders of the Company at the (number) AGM held on (date).
- b. Your appointment is subject to the maximum permissible directorships that one can hold as per the provisions of the Companies Act, 2013 (“the Act”) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”). The term ‘Independent Director’ shall be construed as defined under the Act and SEBI Listing Regulations, as amended from time to time.
- c. The continuation of your office as an Independent Director of the Company shall be in terms of the provisions of the Act and the SEBI Listing Regulations.

2. Committees

- a. The Board has also approved your induction as a Member/ Chairperson of the Company’sCommittee with effect from (date).
- b. The Board may, if it deems fit, invite you for induction in one or more Board Committees or any such Committee that may be constituted in the future. Your appointment on such Committee(s) will be subject to the applicable laws.

3. Meetings and time commitment

- a. As a Non-Executive Independent Director, you are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance.
- b. You will strive to attend all Board and Committee (where you are a member) meetings. At present, 4 to 6 Board meetings are being held during a financial year, but there could be more meetings, when the situations so warrant. The Audit Committee also meets at least four times in a financial year. Besides, other Board Committee meetings, like, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee meetings which are ordinarily convened once/ twice in a financial year. However, there could be more Committee meetings based on the business requirement. You are expected to attend Board, Board Committees (to which you are/ may be appointed) and Shareholders' meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.
- c. In terms of the provisions of the Act and the SEBI Listing Regulations, the Independent Directors of the Company generally meet once every financial year in a separate meeting, without the presence of non-independent Directors and the management. It is expected that an Independent Director of the Company shall be present at such meeting of the Independent Directors.
- d. You will also strive to attend the general meetings of the Company. Please note the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee are required to attend the Annual General Meeting of the Company.
- e. By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role as an Independent Director of the Company, to the satisfaction of the Board.

4. Role and Duties

Your role and duties will be those normally required of a Non-Executive Independent Director under the provisions of the Act and the SEBI Listing Regulations. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- a. You shall act in accordance with the Company's Articles of Association.
- b. You shall act in good faith in order to promote the objects of the Company for the benefit of its shareholders as a whole, and in the best 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 a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company. Please refer to Clause 6 for full explanation on conflict of interest.
- e. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- f. You shall not assign your office as Director and any assignments so made shall be void.
- g. You shall act in compliance and abide with the Code of Conduct for Independent Directors as prescribed in Schedule IV of the Act.
- h. In addition to the above requirements applicable to all Directors, the role of a Non-Executive Director has the following key elements:

Strategy: Non-Executive Directors should constructively challenge and help develop proposals on strategy;

Performance: Non-Executive Directors should scrutinize the performance of management in meeting agreed goals and objectives;

Risk: Non-Executive Directors should satisfy themselves on the integrity of financial information and that the financial controls and systems of risk management are robust and defensible;

People: Non-Executive Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing the and where necessary, removing Executive Directors and in succession planning;

Reporting: Non-Executive Directors take responsibility for the processes for accurately reporting on performance and the financial position of the Company; and

Compliance: Non-Executive Directors should keep governance and compliance with the applicable legislation and regulations under review and the conformity of the Company's practices to accepted norms.

5. Status of appointment and remuneration

- a. You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of commission as may be decided by the Board and approved by the Shareholders from time to time.

- b. Non-Executive Directors are also entitled for sitting fees to be paid for attending Board and Committee meetings. The Directors are entitled for reimbursement of actual out of pocket expenses incurred towards attending the meetings upon production of relevant bills.

The present remuneration details of Independent Directors are given in Annexure-1 annexed herewith.

6. Conflict of interest

- a. It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment and at such times as are required.
- b. In the event that your 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 judgment that you are independent, this should be disclosed to both the Chairman and the Company Secretary.

7. Confidentiality

- a. All information acquired during your tenure as an Independent Director of the Company is confidential and should not be released, either during your tenure or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or any regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

8. Code of conduct

- a. Your attention is also drawn to the requirements under the applicable regulations and the Code of Conduct for Directors and Senior Managerial Personnel as well as the Code of Conduct under the SEBI (Prohibition of Insider Trading) Regulations, 2015, which concern the disclosure of price sensitive information and dealing in the securities of the Company. Consequently, you 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.
- b. The Code of Conduct for Directors and Senior Managerial Personnel as well as the Code of Conduct under the SEBI (Prohibition of Insider Trading Regulations) 2015 are annexed herewith as **Annexure-2a** and **Annexure-2b**.

You shall abide by the “Code for Independent Directors” as outlined in Schedule IV of the Act and duties of Directors provided in the Act and other applicable laws. The Code for Independent Directors is annexed herewith as **Annexure-3**.

9. Induction

- a. You will be invited to attend an induction session and, thereafter, ongoing training and familiarization sessions, including briefings from management and site visits. Please avail yourself of these opportunities to familiarise with the Company, its business, operations and related aspects.

10. Evaluation

- a. In terms of the provisions of the Act and the SEBI Listing Regulations, performance evaluation of the Board, Board Committees and individual directors are being done, on an annual basis. Your appointment and re-appointment on the Board shall be subject to the outcome of the yearly evaluation process.

11. Insurance

- a. The Company has Directors' and Officers' liability insurance and it is intended that the Company will assume and maintain such cover for the full term of your appointment.

12. Independent professional advice

- a. There may be occasions when you consider that you need professional advice in furtherance of your duties as a director and it will be appropriate for you to consult independent advisers at the Company's expense. The Company will reimburse the cost of expenditure incurred in accordance with the Company's policy.

13. Disclosure of interest

- a. The Company may be required to disclose in its Annual Accounts or other statutory filings, a note of any interest that a director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting or you may be aware of, so that the minutes/ disclosure may record your interest appropriately and our records are updated. A general notice that you are interested in any contract(s) with a particular person, firm, company, etc. will be treated as sufficient compliance.
- b. During your term as an Independent Director, you shall promptly intimate the Company Secretary and Compliance Officer of the Company, of any change in your status as an Independent Director or any changes in your interest in any body corporate, company, firm, trust, society, etc, including changes in your membership/ chairperson status in any Board Committees of other companies. Any changes in your personal details including address, contact details, should also be informed to the Company Secretary promptly.

14. Termination

- a. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice to the Board, in order to ensure applicable compliances.
- b. Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of the Act and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time. *(this para will be added when the director was appointed as an additional director and shareholders' approval is being sought subsequently)*
- c. Your appointment may also be terminated in accordance with the provisions of the Act, the SEBI Listing regulations and Articles of Association of the Company.

15. Governing law

- a. This agreement is governed by and will be interpreted in accordance with the Indian Laws, as applicable from time to time and your engagement shall be subject to the jurisdiction of the Indian Courts.
- b. Kindly confirm your acceptance of these terms by signing and returning to us, an enclosed copy of this letter.

Yours sincerely

For **Laurus Labs Limited**

Dr. Satyanarayana Chava
Executive Director and CEO

Accepted

Encl: as above.

Signature: _____

Name of the Independent Director:

Annexure-1

Details of remuneration

Commission	<p>Each Independent Director is entitled for remuneration by way of commission @Rs. 40 lakhs per annum, proportionate to their tenure as an Independent Director during the financial year.</p> <p><i>The Members of the Company had approved for payment of remuneration by way of commission to its Independent Directors (whether existing or future), collectively up to 1% of the net profits of the Company every year, computed in the manner referred to in Section 198 of the Act.</i></p>
Sitting fees	<p>Sitting fees of Rs. 1 Lakh for each Board and Board Committee (for Committee member) meetings being attended by each Independent Director.</p>
Others	<p>Reimbursement of actual out of pocket expenses incurred towards attending the meetings (actual invoice to be submitted)</p>