

**Terms of appointment of Non – Executive Independent Directors of
Rajasthan Antibiotics Ltd**

1. Designation

You will serve as Non-executive Independent Director on the Board of Directors of RAL.

2. Term of Appointment

As an Independent Director, you will not be liable to retire by rotation and the term of appointment shall be initially for a period of 5 years unless terminated by your resignation or removal by the company in terms of the provisions of the Companies Act, 2013.

Reappointment 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. Your reappointment would be considered based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.

3. Remuneration

You will be paid a remuneration of Rs. for attending every Board Meeting and sum of Rs.....for attending every meeting of committee constituted by Board.by way of sitting fees per meetings of the Board and its Committees.

The Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties as Independent Director of the Company.

You will not be an employee of the Company and this letter shall not constitute a contract of employment.

4. Committees

You may be requested to be a member / Chairman of any one or more Committees of the Board which may be constituted from time to time.

5. Role, duties and responsibilities

A. As member of the Board you along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the Companies Act, 2013,
- Responsibilities of the Board of directors as outlined in the SEBI LODR,
- Accountability under the Director's Responsibility Statement

B. You shall abide by the 'Code For Independent Directors' as outlined in Schedule IV of the 2013 Act, Code for Non-Executive Directors, as adopted by the Board and duties of directors as provided in the 2013 Act (including Section 166) and in SEBI LODR. For your ready reference, the relevant provisions have been extracted and attached to this letter as **Annexure A**.

C. You will provide guidance in your area of expertise.

6. Time Commitment

Considering the nature of the role of a director, it is difficult for a company to lay down specific parameters on time commitment. You agree to devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as an Independent Director.

7. RAL Code of Conduct

As an Independent Director of the Company, you agree to comply with the RAL Code of Conduct for Non-Executive Directors and Independent Directors.

Unless specifically authorised by the Board, you shall not disclose information regarding company and its business to constituencies including the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers. Your obligation of confidentiality shall survive cessation of your directorship with the Company.

Additionally, you shall not participate in any business activity which might impede the application of your independent judgment in the best interest of the Company.

8. Training and Development

The Company, shall, if required, conduct training programs, from time to time, as deemed fit for its Independent Directors which may include any or all of the following:

- Board roles and responsibilities, whilst seeking to build working relationship among the Board members,
- Company's vision, strategic direction, core values, ethics and corporate governance practices,
- Familiarization with financial matters, management team and business operations,
- Meetings with stakeholders, visits to business locations and meetings with senior and middle management.

The Company, as may be required, may 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.

9. Performance Appraisal / Evaluation Process

As a member of the Board, your 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. The criteria for evaluation shall be disclosed in the Company's Annual Report.

However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee.

10. Disclosures, other directorships and business interests

During the Term, you agree to promptly notify the Company of any change in your directorships, and provide such other disclosures and information as may be required under the applicable laws.

You also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the Chairman and the Company Secretary. By signing this letter, you hereby confirm that as on date of this letter, you have no such conflict of interest issues with your existing directorships.

During your Term, you agree to promptly provide a declaration under Section 149(7) of the 2013 Act and Regulation 25(8) of SEBI LODR confirming that you meet the criteria of independence as provided in Section 149(6) of the 2013 Act and Regulation 16(1)(b) of SEBI LODR and that you are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact your ability to discharge your duties with an objective independent judgment and without any external influence. This declaration shall be submitted at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect your status as an Independent Director.

11. Changes of personal details

During the Term, you 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.

12. Disengagement

You may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by you in the notice, whichever is later.

Your directorship on the Board of the Company shall cease in accordance with prevailing law. The Company may disengage Independent Directors prior to completion of term upon violation of RAL Code of Conduct as applicable to Non-Executive Directors. If at any stage during the Term, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the 2013 Act read with the rules framed thereunder or Regulation 16(1)(b) of SEBI LODR, you agree to promptly submit your resignation to the Company with effect from the date of such change.

13. Cooperation

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your Term, you agree to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

14. Trading window closure

The Company shall specify a trading period, to be called “trading window”, for trading in the Company’s securities. When the trading window is closed the directors shall not trade in the Company’s securities in such period.

The trading window shall be closed during the following time periods when the information is unpublished:

- i. Declaration of financial results (quarterly, half-yearly and annually)
- ii. Declaration of dividends (interim and final)
- iii. Issue of securities by way of public/rights/bonus etc.
- iv. Any major expansion plans or execution of new projects
- v. Amalgamations, mergers, takeovers and buy-back
- vi. Disposal of whole or substantially whole of the undertaking
- vii. Any material changes in policies, plans or operations of the Company

The time for commencement of closing of trading window shall be decided by the Company. The trading window shall be opened 48 hours after the information referred to above is made public.

It is a pleasure to have you on board. We are confident that your association, expertise and advice will immensely benefit the Company and the Board.

15. Miscellaneous

- This letter represents the entire understanding, and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between yourself and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.
- No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.

16. Acceptance of Appointment

Please confirm your acceptance of the above terms by signing and returning the enclosed duplicate copy of this letter.

ANNEXURE-A

Code for Independent Directors under Schedule IV to the Companies Act,2013

This Code is a guide to professional conduct for Independent Directors. Adherence to these standards by Independent Directors and fulfilment 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/her duties;
3. exercise his/her responsibilities in a bona fide manner in the interest of the company;
4. devote sufficient time and attention to his/her professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate his/her 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/her 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/her independence;
8. where circumstances arise which make an independent director lose his/her 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 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. act within his/her 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.

Duties under Section 166 of the Companies Act,2013

All Directors and Key Managerial Personnel of the Company shall comply with following:

- i. act in accordance with the Articles of the Company.
- ii. 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 interests of the Company, its employees, the shareholders, the community and for the protection of the environment.
- iii. exercise his/her duties with due and reasonable care, skill and diligence and shall exercise independent judgement.
- iv. not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- v. not achieve or attempt to achieve any undue gain or advantage either to himself or to his/her relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company.
- vi. not assign his/her office and any assignment so made shall be void.
