



Dedicated To Life

Terms and Conditions of appointment of Independent Directors

Independent Director (“**ID**”) should meet the criteria prescribed under section 149(6) of the Companies Act, 2013 (“the **Act**”) and regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including amendments thereto (“the **Listing Regulations**”).

The appointment is recommended by the Nomination and Remuneration Committee (“**NRC**”) and approved by the Board of Directors (“the **Board**”) which will be subject to approval by the members at the Annual General Meeting.

The terms of appointment are subject to the extant provisions of the applicable laws, including the Act, SEBI Listing Regulations and Articles of Association of the Company.

Appointment:

The appointment shall be for a term of consecutive five years unless terminated earlier or resignation of ID from the Office.

As an ID, the appointment will not retire by rotation. However, the re-appointment at the end of the tenure shall be based on the recommendation of NRC and subject to the approval of the Board and members. The re-appointment will also be subject to fulfilling the criteria prescribed for independence and outcome of the performance evaluation process.

The Board is empowered to reconstitute any of the committee from time to time and appoint an ID as a Member / Chairman of another Committee.

Role, duties and responsibilities:

- A. As member of the Board, an ID 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” as outlined in the Corporate Governance requirements as prescribed by SEBI under the Listing Regulations,
 - Accountability under the Director’s Responsibility Statement,
 - Overseeing the maintenance of high standards of Zydus values and ethical conduct of business,
 - Protecting and enhancing the Zydus brand.





Dedicated To Life

- B. An ID shall abide by the “Code of Conduct for Independent Director” as prescribed in Schedule IV of the Act and “Code of Conduct for Directors and Senior Management” approved by the Board.

Time Commitment:

As an ID, he / she shall devote time for the performance of his / her role and discharging duties and responsibilities as an ID.

Remuneration:

An ID shall be paid sitting fees for each Board / Committee Meeting attended.

ID shall be reimbursed any expenditure incurred by him / her on travelling, hotel accommodation and such other expenses incurred by him / her for attending any Board / Committee / General Meetings.

ID shall also be paid commission as may be recommended by NRC and approved by the Board, which will be within the overall limits prescribed under the Act and approval of members in this behalf.

In case any special assignment requested to be performed by an ID based on his / her expertise and knowledge, he / she will be paid all expenses incurred by him / her for its performance. ID shall also be paid the fees as may be approved by the Board and subject to the provisions of the Act.

Insurance:

The Company takes Directors’ and Officers’ liability insurance policy and pay the premium for the same.

Performance appraisal evaluation process:

As a member of the Board, the performance of ID will be evaluated in accordance with the criteria determined by NRC.

Disclosures:

During the tenure, ID shall promptly inform the change in his/her other directorships as may be required under the Act. He / She will not have conflict of interest with his / her position as an ID.





Dedicated To Life

Termination:

The directorship on the Board shall be terminated or ceased in accordance with the Act. The directorship may also be terminated, if there is violation of the Code of Conduct.

ID may resign from the Office by giving a notice in writing to the Company along with reasons for the resignation. The resignation shall come into effect on the day the notice is received by the Company or such other date mentioned in the notice.

During the tenure of the appointment, if ID does not fulfill the criteria for independence as prescribed under the Act and SEBI Listing Regulations, ID to submit the resignation to the Company from the date he / she satisfy that any of the criteria are not being fulfilled.

