

## **Letter of Appointment of Independent Director**

To

**Name** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Dear** \_\_\_\_\_

We are pleased to inform you that pursuant to the provision stated under the Companies Act, 2013 (Act) and SEBI (Listing Obligations and Disclosure Requirement Regulations), 2015, the shareholders of the Company in the \_\_\_\_\_ Meeting of the Company, held on \_\_\_\_\_ have approved your appointment as an Independent Director of Banka BioLoo Limited.

### **1. Appointment and Tenure**

In accordance with the provisions of the Companies Act, 2013 and other applicable laws pursuant to the approval the, board of directors and/or shareholders of the Company, you will serve as an Independent Director of the Board for a term of 5 consecutive years commencing from \_\_\_\_\_ to \_\_\_\_\_, unless terminated earlier or extended as per the provisions of this letter and/or applicable laws. As an Independent Director, you will not be liable to retire by rotation.

### **2. Committees**

As advised by the Board, during the tenure of office, you may be required to serve on one or more of the committees of the Board established by the Company. Upon your appointment to any one or more Committees, you will be provided with the appropriate Committee charter, which sets out the functions of that Committee.

### **3. Role, Duties and Responsibilities**

- a. As an Independent Director you shall act in accordance with the Articles of Association of the Company, and shall perform your fiduciary duties in a responsible manner and your general legal responsibilities to the Company will be at par with a Non-Executive Director and/or Non-Executive Independent Director under the Act, including the fiduciary duties as specified under Section 166 of the Act and Listing Regulations. There are certain duties prescribed for all Directors.
  
- a. You are also required to discharge the duties, roles and functions as applicable to Independent Directors, as stated under Schedule IV to the Act, which, as in force and as may be amended from time to time. While performing such duties, roles and functions, you will be required to abide by the 'Guidelines of Professional Conduct', as stated under the said Schedule. Schedule IV enclosed herewith for your reference and perusal.

- b. You shall abide by the policies of the Company as applicable to the Directors of the Company, framed in terms of the applicable provisions of the Act and other applicable Listing Regulations.
- c. You shall submit requisite disclosures and declarations from time to time in terms of at applicable provisions of the Companies Act, 2013 ("Act") and Rules made thereunder and pursuant provisions of Listing Regulations.
- b. You shall not hold office as a Director or act as a Chairman or Committee member in excess of the limit stipulated under the Act and the SEBI (LODR) Regulations, 2015. During the term, you agree to promptly notify the Company of any change in your Directorships/Committee memberships in other companies.
- c. You will ensure that you do not get disqualified to act as a Director, pursuant to the provisions of Section 164 of the Act.
- d. 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 Company. In the event that the Independent Director becomes aware of any potential conflicts of interest, or in case of doubt, s/he should consult the Chairman of the Company as soon as practicable.
- e. During the Term, you shall promptly intimate the Company and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.
- f. 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 Act, or if applicable, you fail to meet the criteria for "independence" under the provisions of Regulation 16 of the SEBI Listing Regulations, 2015, you agree to promptly submit your resignation to the Company with effect from the date of such change.
- g. During the term of appointment, the Independent Directors are expected not to take up directorship in any company (whether in India or abroad) engaged in the same or similar businesses as that of the Company or in a company, business or terms and conditions of appointment of the Independent Directors undertaking, which competes or is likely to compete with the Company, or which could otherwise potentially give rise to a conflict with his duties with the Company.
- h. During the term of Appointment, an Independent Director shall not serve as (a) an Independent Director in more than the prescribed number of listed companies and (b) a committee member of more than the prescribed

number of committees (i.e. the Audit Committee and the Stakeholders' Relationship Committee) including chairmanship of such committees.

- i. During the term of appointment, Independent Director shall not indulge in forward dealings in securities of the Company, which is prohibited under the Act. Directors are prohibited from dealing in the Company's securities during the period when the trading window is closed.
- j. Independent Director should not indulge into insider trading, and is expected to comply with the Company's code for securities dealing, as well as with the concerned provisions of the insider trading laws and regulations.
- k. During the term of Appointment, an Independent Director can neither enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the shares of the Company, without obtaining the prior approval from the Board of Directors as well as public shareholders of the Company by way of an ordinary resolution.

## **Duties and Liabilities of Independent Director**

### **Remuneration & Expenses**

You will be paid such remuneration by way of sitting fees for attending the meetings of the Board and its Committees as may be decided by the Board.

In addition to the remuneration stated in the preceding paragraph, the Company will reimburse Independent Director, or bear and pay, all travel, accommodation or other expenses incurred as a result of him carrying out his duties as a Director.

### **Termination**

Your Directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Act, your Directorship may be terminated for violation of any provision of the Code of Conduct of the Company.

You may resign from the Directorship of the Company by giving a notice in writing to the Company, stating the detailed 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.

### **Training and Development**

The Independent Director will be invited to attend ongoing training and familiarization sessions for Directors, including site visits.

The Board members are provided necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made at the Board and Board Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.

### **Evaluation Process**

The performance of individual directors shall be done by the entire Board, excluding the director being evaluated, on an annual basis.

As a member of the Board, your performance shall be evaluated annually. Evaluation shall be done by all the other Directors. The criteria for evaluation shall be determined by the Nomination & Remuneration Committee, and 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.

### **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.

### **Confidentiality**

The Independent Director shall not use for his own, or for another's benefit, or disclose or permit the disclosure of any confidential information relating to the Company, subsidiary or any group or associate companies of the Company, which he may acquire by virtue of his position as an independent director, including without limitation, any information about the deliberations of the Board. The restriction shall cease to apply to any confidential information which may (other than by reason of the director's breach of this term), become available to the public generally

### **Publication of Letter**

As per Regulation 46 of the SEBI Listing Regulations, 2015, if applicable, this letter along with your detailed profile shall be disclosed on the website of the Company and the relevant Stock Exchange.

### **Relationship**

Your appointment constitutes neither a contract for services nor a service contract. There will be no relationship of employer and employee as a consequence of appointment as a director of the Company.

### **Governing Law**

The Appointment and the terms are governed by the laws of India.

### **Authority**

The letter of appointment will be issued under the authority of the Board.

For **Banka BioLoo Limited**

Sd/-

**Sanjay Banka**  
**Executive Chairman**

Encl: Schedule IV to the Companies Act, 2013

**SCHEDULE IV**  
**[See Section 149(8)]**  
**CODE FOR INDEPENDENT DIRECTORS**

Notified Date of Section: 01/04/2014

The 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 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 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 board and management;
- (3) scrutinise 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 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 behaviour, 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 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 independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils 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 formalised 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 independent director shall be on the basis of 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 "three months" from the date of such resignation or removal, as the case may be.



(3) Where the company fulfils the requirement of independent directors in 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 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 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.

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