

CHEMO PHARMA LABORATORIES LIMITED

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TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS (SECTION 149 (8) READ WITH SCHEDULE IV OF THE COMPANIES ACT, 2013)

APPOINTMENT

1. The appointment will be for a term up to 31st March, 2019, unless terminated earlier or extended, as per the provisions of this letter or applicable laws ("Term"). Re-appointment for another term of maximum period of five years at the end of the current term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders by way of Special Resolution. The re-appointment would be considered by the Board based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.
2. The appointment of a person as a Non Executive Independent Director on the Board of Directors of the Company is subject to the provisions of the Companies Act, 2013.
3. In compliance with provisions of Section 149(13) of the Companies Act, 2013, the directorship is not subject to retirement by rotation.
4. Notwithstanding other provisions of this letter, the appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of Independence as defined in Section 149 (6) or on the occurrence of any event as defined in Section 167 of the Companies Act, 2013.
5. Upon termination or upon the resignation for any reason, duly intimated to the Company, Independent Director will not be entitled to any compensation for loss of life.
6. As per the Board's current assessment, the Independent Director will be the Chairman/Member for the following Board Committees:
 - i. Audit Committee
 - ii. Shareholders Grievance Committee
 - iii. Nomination Committee & Remuneration Committee

The Board may reconstitute the composition of any/all Committees, from time to time, and any such change shall be promptly communicated to Independent Director. In such an event the Independent Director may also be required to serve on other Committees of the Board.

TIME COMMITMENT

7. As a Non-Executive Independent Director, he is expected to bring objectivity and Independence of view to the Boards 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. The Board generally meets four times in a year. The audit committee generally meets four times in a year. Besides, there are other committees like Nomination & remuneration Committee which are ordinarily convened as per requirements. Independent Director will be expected to attend Board and Board Committees to which he may be appointed and Shareholders Meetings and to devote such time to your duties, effectively.
8. By accepting this appointment, the Independent Director confirms that he is able to allocate sufficient time to meet the expectations from his role to the satisfaction of the Board.

ROLE AND DUTIES

9. The role and duties of Independent Director will be those normally required of a Non Executive Independent Director under the Companies Act, 2013. There are certain criteria duties prescribed for all Directors, both executive and Non Executive, which are fiduciary in nature and as under :
 - i- He shall act in accordance with the Company's Articles of Association as may be amended from time to time.
 - ii- He shall discharge his responsibility as a Non Executive Independent Director as outlined in Clause 49 of the Listing Agreement.
 - iii- He shall 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 interest of the Company.
 - iv- He shall discharge your duties with due and reasonable care, skill and diligence.
 - v- He shall not involve himself in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with interest of the Company.
 - vi- He shall not achieve or attempt to achieve any undue gain or advantage either to himself or to any of his relatives, partners or associates.
 - vii- He shall not assign your office as Director and any assignments so made shall be void.In addition to above requirements the Board of Directors also expect him to perform the following functions:-
 - (i) He should constructively challenge and help develop proposals on strategy for growth of the Company.
 - (ii) He should evaluate the performance of management in meeting agreed goals and objectives.
 - (iii) He should satisfy the integrity of financial information and that financial controls and systems of risk management are effective and defensible.
 - (iv) He is responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning.

- (v) He will take responsibility for the processes for accurately reporting on performance and the financial position of the Company.
- (vi) He should keep governance and compliance with the applicable legislation and regulations under review and the conformity of Company's practices to accepted norms.

STATUS OF APPOINTMENT

10. The Independent Director will not be an employee of the Company and this letter shall not constitute a contract of employment. He will be paid such remuneration by way of sitting fees for meeting of the Board and its Committees as may be decided by the Board. Further, he will also be paid remuneration by way of commission as may be approved by the Board and the Shareholders from time to time.

11. He will have no entitlement to any bonus during the appointment and no entitlement to participate in any employee stock option scheme operated by the Company or any Group Company.

REIMBURSEMENT OF EXPENSES:

12. In addition to the remuneration described above, the Company will, for the period of his appointment, reimburse him for the travel, hotel and other incidental expenses incurred by him in the performance of his role and duties.

INDEPENDENT PROFESSIONAL ADVICE

13. There may be occasions when Independent Director may consider that he may need professional advice in furtherance of his duties as a Director and it will be appropriated for to consult independent advisors at the Company's expense. The Company will reimburse full cost of expenditure incurred in accordance with the Company's policy.

CONFLICT OF INTEREST

14. It is accepted and acknowledged that Independent Director may have business interests other than those of the Company. As a condition, to his appointment, he is required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.

15. In the event that circumstances of Independent Director may 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 he is independent, this should be disclosed to both the chairman and the Company Secretary.

EVALUATION:

16. The Board of Directors will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis as per Company's policy. His appointment and re appointment on the Board shall be subject to the outcome of the yearly evaluation process.

DISCLOSURE OF INTEREST

17. Any material interest that a Director may have in any transaction or arrangement that the Company has entered into should be disclosed not later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record his interest appropriately and our records are updated. A general notice that Independent Director is interested in any contract with a particular person, firm or company is acceptable.

CODE OF CONDUCT

18. During the appointment Independent Director is required to comply with the regulations as contained in Schedule IV under the Companies Act, 2013 including the following codes of the conduct of the Company (copies enclosed):
 - (i) Code of Conduct for Board of Directors and Senior Management
 - (ii) Code of Internal Procedures and Conduct for prevention of Insider Trading in securities of the Company and such other requirements as the Board of Directors may from time to time specify.

CONFIDENTIALITY

19. All information acquired during his appointment is confidential to the Company and should not be released, either during his appointment 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 regulatory body]. On reasonable request, he shall surrender any documents and other materials made available to him by the Company.
20. His attention is also drawn to the requirements under the applicable regulations and the Company's Insider Trading Code which concern the disclosure of price sensitive information and dealing in the securities of the Company. Consequently, he 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.

PUBLICATION OF THE LETTER OF APPOINTMENT

21. In line with the provisions of Clause IV sub clause 6 of Schedule IV, under Companies Act, 2013, the Company will make public the terms and conditions of his appointment and will also arrange for it to be displayed on the Company's website.

MEMBERSHIP OF THE COMMITTEE

22. The Board of Directors may appoint Independent Director as a member/Chairman of one or more of its Committees which will be covered in separate communication setting out the relevant Committee's terms of reference and specific responsibility.

TERMINATION

23. Independent Director may resign from his position at any time and should he wish to do so, he is requested to serve a reasonable written notice on the Board. In terms of provision of the Companies Act, 2013, he is required to file a copy of his resignation letter with the Registrar of Companies.
24. Continuation of his appointment is contingent on your getting re-elected by the shareholder in accordance with the provisions of Companies Act, 2013 and Articles of Association of the Company, from time to time in force. Independent Director will not be entitled to compensation if the shareholders do not re-elect you at any time.
25. The appointment of Independent Director may also be terminated in accordance with the provisions of Articles of Association of the Company from time to time in force.

CO-OPERATION

26. 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, Independent Director agrees to render all reasonable assistance and co-operation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

GENERAL

27. This letter and any non-contractual obligation arising out of or in connection with this letter are governed by and shall be constitute in accordance with the laws of India, and the parties agree to submit to the exclusive jurisdiction of the Court of Delhi.
28. This letter represents the entire understanding, and constitutes the whole agreement in relation to the appointment of Independent Director and supersedes and previous agreement between the Independent Director 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.
29. No waiver or modification of this letter shall be valid unless made in writing and signed by the Independent Director and the Company.
30. As per the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, this letter along with your detailed profile shall be disclosed on the website of the Company and the relevant Stock Exchange.
31. Independent Director will confirm his agreement to the above by signing and returning the enclosed duplicate appointment Letter.

FOR CHEMO PHARMA LABORATORIES LIMITED

s/d

ASHOK SOMANI

(DIN No. – 03063364)