

Terms of Appointment for Independent Director (template of appointment letters issued to Independent Directors)

1. Appointment

- 1.1 Pursuant to approval of the Members of the Company on _____, you are appointed for a term of five (5) years from _____ up to _____ (both days inclusive)

We have received your declaration as per Section 149(7) of the Companies Act, 2013 ('the Act') and rules made thereunder read with Regulation 16 (b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') confirming your eligibility for appointment.

You shall not be liable to retire by rotation as per the relevant provisions of the Act.

Further, your appointment is subject to the maximum permissible Directorships that one can hold as per the provisions of the Act and the Listing Regulations.

- 1.2 The term Non-Executive Independent Director shall be construed as defined under the Act and the Listing Regulations, as amended from time to time.

The Company is at liberty to disengage any Non-Executive Independent Director prior to expiry of the tenure, subject to compliance of relevant provisions of the Act and Listing Regulations.

2. Committees

The Board of Directors may invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in the future.

3. Time Commitment

- 3.1 As an 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.

- 3.2 The Board and the Audit Committee also meets at least four times in a year.

Besides, there are other Committee meetings like Risk Management Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee meetings which are convened at requisite intervals.

You will be expected to attend meetings of the Board, Board Committees to which you are appointed and shareholders' meetings and to devote such time as appropriate for you to discharge your duties effectively.

Ordinarily, all meetings are held at the Corporate Office in Bengaluru or through video conferencing. Shareholders meeting will be held in Vashi, Navi Mumbai or may be held through audio-visual means (as permitted under the regulations).

3.3 By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

4. Role and Duties

Your role and duties will be those normally required of a Director and in particular of a Non-Executive Independent Director under the provisions of Section 166 of the Act, Schedule IV of the Act, which prescribes 'Code for Independent Directors' and the Listing Regulations as amended from time to time.

5. Status of Appointment

5.1 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 sitting fees for meetings of the Board and its Committees as may be decided by the Board and/ or as approved by the shareholders from time to time.

5.2 Sitting fees presently paid to the Non-Executive Independent Director for attending Board & Committee meetings is Rs. 100,000/- each per meeting of Board & Committees.

5.3 You will be entitled to Commission on Profits at a rate not exceeding the rate prescribed under the Companies Act, 2013 and within such limit fixed by the board & approved by the shareholders from time to time.

6. Reimbursement of Expenses

In addition to the remuneration described in paragraph 5 the Company will, for the period of your appointment, reimburse you for travel, stay and other incidental expenses incurred by you in connection to the performance of your roles and duties.

7. Conflict of Interest

7.1 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.

In the event that you become aware of any potential conflict of interest with your position as Director of the Company, you shall promptly disclose the same to the Chairman and the Company Secretary and provide such other disclosures and information as may be required under the applicable laws. By signing this letter, you hereby confirm that as on date of this letter, you have no such conflict of interests with your existing directorships.

8. Training and Development

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

- 8.1 Board roles and responsibilities, whilst seeking to build working relationship among the Board members;
- 8.2 Company's vision, strategic direction, core values, ethics, corporate governance & ESG practices, risk management, amongst others;
- 8.3 Familiarization with financial matters, management team and business operations;
- 8.4 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. Confidentiality

All information acquired during your appointment is confidential to OneSource and should not be released, either during your 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, you shall surrender any documents and other materials made available to you by OneSource.

Your attention is also drawn to the requirements under the applicable regulations and the OneSource Insider Trading Code 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.

10. Evaluation

Every individual director would be bound by the Company's policy on board evaluation. The Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. Your appointment and re-appointment on the Board shall be subject to the outcome of the yearly evaluation process.

Board evaluation framework at OneSource has been designed in compliance with the requirements under the Act and the Listing Regulations, and in accordance with the Guidance Note on Board Evaluation issued by SEBI in January 2017.

Nomination and Remuneration Committee has specified the criteria for performance evaluation of the Directors (including Independent Directors), the Board and its Committees.

Directors are evaluated on aspects such as strategy, function, ethics and values and other general criteria. Performance evaluation of Independent Directors is carried out by the entire Board, excluding the Director being evaluated.

Committees of the Board are evaluated on aspects such as mandate, composition and terms of reference of the Committees, reviews and decision making, governance and compliance as a whole.

As an Independent Director you should strive to hold and present in at least one meeting in a year without the presence of Non-Independent Directors and Members of the management with the sole objective of:

- 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.

By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet the expectations of your role.

11. Insurance

The Company has availed 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

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 full cost of expenditure incurred in accordance with the Company's policy.

13. Information on Meetings

The Board and the Committees of the Board meets at least once a quarter to review the quarterly results and other items on the agenda. Additional meetings are held, whenever necessary.

The Board has full and unfettered access to any information of the Company, and to any employee of the Company.

At Board/ Committee Meetings, the Board/ Committee may invite officials of the Company when additional details into the items being discussed are required. The agenda and explanatory notes are sent to the Board in advance.

14. Termination

14.1 You may resign from your position at any time, and should you wish to do so, you are requested to submit a written resignation letter to the Board citing the following details:

- a. reasons for resignation
- b. names of listed entities in which you hold directorships indicating the category of directorship and membership of board committees, if any.
- c. confirmation stating that there is no other material reasons for resignation other than those mentioned in your resignation letter.

As per the provisions of the Listing Regulations, the letter of resignation along with detailed reasons for the resignation and other details mentioned above (as submitted by yourself), will be disseminated to the Stock Exchanges within seven days from the date of your resignation becoming effective.

14.2 Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

15. Extension of Term

Upon the expiry of your first term and subject to your eligibility under the relevant provisions of the Act, Rules, Listing Regulations and other applicable laws, as prevailing from time to time and subject to annual performance evaluation and recommendations of the Nomination and Remuneration Committee, the Board may, at its discretion, recommend to the shareholders' renewal of your term.

Continuation of your appointment for a further period is contingent on you getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013, the Rules framed thereunder 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.

16. Governing Law

This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts.

17. Miscellaneous

The terms of appointment contained in this letter along with your detailed profile shall be disclosed on the website of the Company and the relevant stock exchanges.

18. Acceptance of Appointment

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

For OneSource Specialty Pharma Limited

Chairperson of the Board / Authorised Signatory