



JUBILANT GENERICS LIMITED

(CIN: U24100UP2013FLC060821)

Registered Office: Plot 1A, Sector 16A,
Institutional Area, Noida, Gautam Buddha
Nagar, Uttar Pradesh, India - 201301

E-mail: investors@jubl.com Website : www.jubilantgenerics.com

Phone : +91-5924-267437

Terms and conditions of appointment of Independent Directors of Jubilant Generics Limited (the “Company”)

1. Appointment and Tenure

In accordance with the provisions of the Companies Act, 2013 (“Act”) and other applicable laws as amended time to time, the independent directors will serve on the Board for a term of five consecutive years and will be eligible for re-appointment for another term of five years, subject to the passing of special resolution by the shareholders of the Company. An Independent Directors will not be liable to retire by rotation.

The appointments of IDs will also be subject to the maximum permissible Directorships as per the provisions of the Companies Act, 2013 (“Act”) as amended from time to time.

Relationship of IDs with the Company will be that of an office-holder and it is not a contract of employment with the Company.

2. Board Committees

The Board has constituted Corporate Social Responsibility Committee of Directors, with adequate delegation of powers. Subject to the applicable laws and as advised by the Board, ID may be required to serve on one or more Committees of the Board established by the Company or any such Committee that may be set up in the future. These Committees meet periodically as per the business requirements or as may be mandated by the law.

3. Familiarisation Programme for Independent Directors

Every new ID attends an orientation program. Further on a continuing basis, presentations are made by Senior Managerial Personnel to the IDs. The presentations cover an overview of nature of the industry in which the Company operates, Company’s strategies, organization structure, business model, operations, functions and risk management, etc. Further, periodic presentations are also made on the business of the Company and updates on all applicable laws.



4. Time Commitment

Time commitment is anticipated from IDs involving attendance at all Board meetings, Committee meetings in which Independent Director is a member and the General Meetings of the Company.

In terms of the Act, IDs are required to hold at least one separate meeting without the attendance of Non-Independent Directors and members of management. All Independent Directors shall strive to be present at such meeting.

5. Functions, Duties and Liabilities

All IDs will be required to act in accordance with the Articles of Association of the Company ('AOA') and subject to the provisions of the Act. Schedule IV to the Act ('Code for Independent Directors') stipulates detailed functions, duties and guidelines for professional conduct of Independent Directors. Please refer Annexure-1 for said Schedule IV of the Act. Further, Section 166 of the Act prescribes duties of Directors in general. Please refer Annexure-2 for the same.

IDs may seek independent professional advice with the approval of the Managing Director and CEO, at the Company's expense, on any matter connected with the discharge of their responsibilities as IDs.

As per Section 149(12) of the Act, an ID shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

6. Memberships on Board of other companies

It is expected that ID should not serve on the Boards of competing companies.

7. Directors & Officers Insurance

The Company maintains Directors and Officers Insurance Policy ("D&O Policy").

8. Remuneration

Currently, the remuneration of IDs as approved by the members / Board is as follows:

(a) sitting fees – for attending Board/its Committee meetings:

Sr. No.	Meetings of	Sitting fees (Rupees per meeting)
1.	Board of Directors	1,00,000
2.	Corporate social Responsibility Committee	75,000

(b) Out of Pocket expenses

In addition to the above, IDs would also be reimbursed travelling (business class) and other expenses including hotel stay and conveyance incurred by them in performing their duties and attending Board/ Committee meetings as per the Company's policy.



9. Performance Evaluation

The performance of IDs shall be evaluated annually according to the provisions of the Act as per the Performance Evaluation Policy of the Company.

10. Compliance with various Codes of the Company

During continuation with the Company as a Director, all IDs are expected to conduct themselves in a professional manner and comply with the following Codes:

- Whistle Blower Policy (Please click <https://www.jubilantgenerics.com/investors/whistle-blower-policy>)
- Any other code, mechanism, directive or policy that may be implemented by the Company from time to time.

11. Disclosures

IDs shall make all statutory disclosures/confirmations as required to be made under applicable laws including but not limited to Annual / event based disclosures as per Act.

12. Confidentiality

All information acquired and developed by IDs, directly or indirectly, during their association as a Director is confidential with respect to the Company, its affiliates, subsidiaries and group companies, whether written, oral or in any other form (including visit to offices, plants, laboratories or R&D offices), including without limitation, unpublished price sensitive information, operational & financial results, operational & financial projections, business & other plans, budgets, plans for acquisitions/takeovers/mergers/demergers/restructuring and similar corporate actions, plans to raise capital/debt, designs, photographs, drawings, specifications, operational, contractual, strategic know-how, procedures, product samples, compositions, presentations, analyses, studies, IPRs, maps, pending IPR applications, advertising and sales promotion plans, processes, commercial and trade secrets, technology, financial information, business deals, negotiations with outsiders, information concerning product differentiation, assays, formula, product positioning, strategic and market research information, other relevant marketing information, clinical data and other tangible and intangible information stated as confidential information (collectively called 'Confidential Information'). IDs will ensure not to share the said Confidential Information with third parties, either during their tenure as Director or thereafter without the written permission of the Board, save and except as may be required by law or any regulatory body. If so requested by the Company, IDs will promptly destroy or cause to be destroyed, or return or cause to be returned to the Company, all Confidential Information received from any means, including all copies or duplicates of such Confidential Information, and all summaries, analyses, compilations, studies, notes, memos or other documents which contain or reflect any Confidential Information.

13. General

The terms of appointment of IDs are subject to the extant provisions of the Act, AOA and other applicable laws, if any.



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

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) 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 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;
 - a. the list of actions that a director should not do while functioning as such in the company; and
 - b. 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;



JUBILANT GENERICS

- 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.

Note: The provisions of sub-paragraph (2) and (7) of paragraph II, paragraph IV, paragraph V, clauses (a) and (b) of sub-paragraph (3) of paragraph VII and paragraph VIII shall not apply in the case of a Government company as defined under clause (45) of section 2 of the Companies Act, 2013 (18 of 2013), if the requirements in respect of matters specified in these paragraphs are specified by the concerned Ministries or Departments of the Central Government or as the case may be, the State Government and such requirements are complied with by the Government companies.



Annexure-2

SECTION 166 - DUTIES OF DIRECTORS

- 1) Subject to the provisions of the Companies Act, 2013, a director of a company shall act in accordance with the articles of the company.
- 2) A director of a company 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 interests of the company, its employees, the shareholders, the community and for the protection of environment.
- 3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- 4) A director of a company shall 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.
- 5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his 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.
- 6) A director of a company shall not assign his office and any assignment so made shall be void.
- 7) If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.