



SURAKSHA DIAGNOSTIC LIMITED

**TERMS AND CONDITIONS FOR APPOINTMENT OF
INDEPENDENT DIRECTORS**

**[Pursuant to the provisions of Schedule IV to the Companies Act, 2013
and Clause 49 (II) (B) (4) of the Listing Agreement]**

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I. TENURE OF APPOINTMENT

The appointment of the Independent Directors will be for maximum period of two terms of five years each commencing from the respective date of their appointment by the Board, subject to the approval of the Members. The Company may disengage Independent Directors prior to completion of their Term, subject to compliance of relevant provisions of the Companies Act, 2013. Independent Directors will not be liable to retire by rotation. Re-appointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the Members. The re-appointment would be considered based on the outcome of the performance evaluation process and the Independent Director continuing to meet the independence criteria.

II. COMMITTEES

The Board, as and when required, may invite Independent Director of the Company for being appointed on one or more existing Board Committees or any such Committee as may be constituted during the tenure of his/her appointment. Appointment on such Committee(s) would be subject to the applicable provisions & regulations.

III. EXPECTATIONS

Independent Directors 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 integrity and corporate governance.

Independent Directors are expected to attend the Board and its Committees meetings in which he/she are appointed and Shareholders meetings, as may be required to devote time to such duties, as appropriate to discharge the same effectively.

He/she should strive to be present at the separate meeting of the Independent Directors to be held at least once in every financial year, without the presence of Non-Independent Directors and members of the Management, to carry out the Agenda as prescribed under Schedule IV of the Companies Act, 2013 and the Listing Agreement.

IV. ROLES, FUNCTIONS AND DUTIES

As Members of the Board, they along with the other Directors, will be collectively responsible for meeting the objectives of the Board which inter alia, include:

- a) Requirements under the Companies Act, 2013, as amended from time to time.
- b) Responsibilities of the Board as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under Clause 49 of the Listing Agreement as amended

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from time to time

- c) Accountability under the Director's Responsibility Statement.

They shall abide by the 'Code For Independent Directors' as outlined in Schedule IV to Section 149(8) of the 2013 Act, and duties of directors as provided in the 2013 Act (including but not limited to Section 166) and in Clause 49 of the Listing Agreement. They will be particularly requested to provide guidance in their area of expertise.

Roles and duties will be those as prescribed for Independent Director under Schedule IV of the Companies Act, 2013 and the listing agreement. As a part of their fiduciary duties, the Independent Director shall:

- a) act in accordance with the Company's Articles of Association.
- b) 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.
- c) undertake appropriate induction and regularly update and keep himself/herself well informed with the Company and the external environment in which it operates.
- d) discharge their duties with due and reasonable care, skill and diligence.
- e) neither be engaged in, nor do any act in which he/she may have a direct or indirect interest that may possibly conflict with the interest of the Company and/or which is in contrary with the status of being an Independent Director of the Company.
- f) not assign their office as Director and any such assignments if so made shall be considered as void.
- g) ascertain and ensure that the Company has an adequate and functional Vigil Mechanism(Whistle Blower Policy).
- h) pay attention in safeguarding the interests of all the stakeholders, particularly the minorityshareholders and balance the conflicting interest of the Stakeholders.
- i) assist the Company in implementing the best Corporate Governance practices.

In addition to the above requirements role of Independent Director shall involve the following key elements:

Independent Judgement: They shall help in bringing an independent judgement to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standard of conduct.

Performance: They shall help in evaluating and scrutinizing the performance of the Board and the management in the meetings, as per agreed goals and objectives;

Risk: They shall satisfy himself/herself on the integrity of the financial information and controls and systems of risk management be robust and defensible;

People: Independent Directors shall be responsible for determining appropriate levels of

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remuneration of Executive Directors, Key Managerial Personnel and other Senior Management personnel and shall have a prime role in appointing and wherever necessary shall recommend the removal of the Executive Directors, Key Managerial Personnel and other Senior Management personnel and also in succession planning;

Reporting: They shall take the responsibility for the processes for accurately reporting on performance and the financial position of the Company.

Compliance: They shall keep governance and compliance with the applicable legislation and regulations under review and in conformity of the Company's practice to the accepted norms.

V. REMUNERATION

As Independent Directors they shall be paid sitting fees for attending the meetings of the Board and the Committees, as may be applicable, of which they are members. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board from time to time. In addition to the sitting fees, commission that may be determined by the Board may also be payable to Independent Directors.

In determining the amount of this commission, the Board, supported by the Nomination and Remuneration Committee, may consider the performance of the Company and their performance as evaluated by the Board. Further, the Company may pay or reimburse to the Director such expenditure, as may have been incurred while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure incurred for accommodation, travel and any out of pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with Members/ creditors/ management, site visits induction and training (organized by the Company for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of the duties as an Independent Director.

VI. TRAINING AND DEVELOPMENT

The Company shall conduct familiarization programs for its Independent Directors which may include

Board roles and responsibilities, whilst seeking to build working relationship among the Board members, Company's vision, strategic direction, core values, ethics and corporate governance practices, Familiarization with financial matters, management team and business operations, Meetings with stakeholders, visits to business locations and meetings with senior and middle management.

The Company may, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the Company and its Business.

VII. PERFORMANCE APPRAISAL / EVALUATION PROCESS

As a member of the Board, their performance as well as the performance of the entire Board and

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its Committees will be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be 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.

VIII. DISCLOSURES, OTHER DIRECTORSHIPS AND BUSINESS INTERESTS

During the Term, they agree to promptly notify the Company of any change in their directorships, Memberships and provide such other disclosures and information as may be required under the applicable laws. They also agree that upon becoming aware of any potential conflict of interest with their position as Independent Director of the Company, they shall promptly disclose the same to the Chairman and the Company Secretary.

During their Term, they agree to promptly provide a declaration under Section 149(7) of the 2013 Act, upon any change in circumstances which may affect their status as an Independent Director.

IX. CHANGES OF PERSONAL DETAILS

During the Term, they shall promptly intimate the Company Secretary and the Ministry of Corporate Affairs in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

X. DISENGAGEMENT

They may resign from the directorship of the Company by giving a notice in writing to the Company stating the 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 in the notice, whichever is later. Their directorship on the Board of the Company shall cease in accordance with law. The Company may disengage Independent Directors prior to completion of Term (subject to compliance of relevant provisions of the 2013 Act) upon violation of any provision of the Code of Conduct as applicable to Non-Executive Directors or upon the director failing to meet the criteria for independence as envisaged in Section 149(6) of the 2013 Act or Clause 49 of the Listing Agreement

XI. INSURANCE

The Company will take an appropriate Directors' and Officers' Liability Insurance Policy (D & O Policy) and pay the premiums for the same. It is intended to maintain such insurance cover for the Term of their appointment, subject to the terms of such policy in force from time to time. A copy of the policy document will be supplied on request.

XII. CONFIDENTIALITY

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All information acquired during the tenure of Independent Director is confidential to the Company and shall not be disclosed, either during the appointment or subsequent to termination (by whatever means) to third parties without prior approval from the Board of Directors of the Company unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, he/she shall surrender all documents and other materials made available to him/her by the Company.

Attention is also drawn to the requirements under the applicable regulations and the Company's prohibition of insider trading Code which concerns the disclosure of price sensitive information and dealing in the securities of the Company. Consequently one 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.