



Major Terms and Conditions of Appointment of Independent Directors of

MEDICO INTERCONTINENTAL LIMITED

The terms of your appointment as set out in this letter, are subject to the extent provisions of (i) the applicable laws, including the Companies Act, 2013 and Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) ("Listing Regulations") and (ii) the Articles of Association of the Company.

1. Term of Appointment:

The term of your appointment shall be for a period of Five (5) years from the date of appointment ("Term"), unless terminated earlier (suo moto or as per operation of law) as per provisions of this letter and the applicable laws.

As an Independent Director, you will not be liable to retire by rotation.

Your re-appointment at the end of the term shall be subject to the prior approval of the Board and the Shareholders.

The Board may from time to time, based on your functional expertise and availability, induct you to other Board Committees, as it may consider appropriate.

You shall continue to serve on the Board Committees of the Company (until such time the Board decides otherwise) as per the functions and duties mentioned in the charter of the respective Committees.

2. Roles, duties and responsibilities:

Without limiting the generalities of the roles, duties and responsibilities stated in the Companies Act, 2013 as amended from time to time, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and other applicable laws, as an Independent Director, you are expected to discharge the role, duties and responsibilities as set out in the Code for Independent Directors (Schedule IV of the Companies Act, 2013) annexed hereto as **Annexure - A**, relevant provisions of the Companies Act, 2013, as set out in **Annexure - B**, and provisions of Regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 annexed hereto as **Annexure - C**. The Board may, from time to time, assign you such other roles, functions and duties as it may consider appropriate in the best interest of the Company and its stakeholders, at large.

Also, please note that, as a Director of the Company, the following are the dos and don'ts that you are expected to abide by during the tenure:

- a. you shall furnish interest and declarations to the Company as required statutorily.
- b. you shall not assign office, and any assignment so made shall be void;

- c. you shall ensure that your number of directorships/ board committee memberships/ chairmanships shall be within the limits prescribed under the provisions of Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
- d. you shall ensure that you fulfil the parameters of 'Independence' as defined under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time. You are required to furnish a declaration every year confirming your eligibility to hold the office if Independent Director of the Company and inform whenever there is a change in the circumstances which may affect your status as an Independent Director;
- e. you are restricted from participating in the discussions on contracts or arrangements with parties where you are interested or concerned in any manner;
- f. you are required to inform the Company in a timely manner about any changes, if any, in disclosure.

3. Insurance:

The Company will take an appropriate Directors' and Officers' Liability Insurance policy and pay the premiums for the same. It is intended to maintain such insurance cover for the term of your appointment and shall be maintained for all the actions taken by you while discharging your role as independent director, subject to the terms of such policy in force from time to time. A copy of the policy document will be supplied on request.

4. Code of Business Ethics:

You will be required to abide by the guidelines as to professional conduct for independent directors as set out in Section 149(8) read with Schedule IV to the Act. Further, you will also be required to comply with applicable provisions of the Code of Conduct which will be framed by the Board under the Listing Regulations. The same will also be made available on the website of the Company.

5. Remuneration and expenses:

As an Independent Director of the Company, you shall be paid sitting fees for attending the meetings of the Board and its Committees of which you are a member at the rates determined by the Board from time to time.

In addition to the sitting fees, commission based on the profits of the Company or subject to the conditions specified in Schedule V of the Act ("Commission") that may be determined by the Board may also be payable to you. Payment of the Commission shall be determined based on your participation at the Board and committee meeting, strategic perspectives or inputs you provide regarding future growth of Company and its respective performance.

The fees and commissions will be subject to deduction of tax at source at the rate and in the manner prescribed under the Income Tax Act, 1961. The tax deduction certificate for the tax deducted will be provided to you in accordance with the provisions of Income Tax Act, 1961.

Further, the Company will reimburse to you such fair and reasonable expenses, as may have been incurred by you while performing your role as an Independent Director of the Company, including conveyance / travelling / accommodation expenditure incurred by you for attending board / committee/ general body meetings, induction and training (organized by Company for Directors).

6. Performance Appraisal/ Evaluation Process

As a member of the Board, as per the requirements of your role and in compliance with applicable laws, you will be required to carry out the evaluation of the performance of the entire Board, its committees and the individual directors on an annual basis. The criteria for evaluation shall be determined by the chairperson of nomination & remuneration committee, as may be applicable and shall be disclosed in the Company's annual report. Your individual performance evaluation shall be done by the Board annually, without your participation. Your appointment and re-appointment on the Board shall be subject to the outcome of the yearly evaluation process.

7. Disclosures

During your term, you agree to promptly notify the Company of any change in your directorships, and also agree to provide a declaration under Section 149(7) of the Act and applicable laws, upon any change in circumstances which may affect your status as an Independent Director.

8. Representation and Warranties

You represent and warrant that as on the date of this letter of appointment:

- a. The execution, delivery and performance of this letter of appointment by you does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which you are a party or by which you are bound and that this letter of appointment constitutes a valid and legally binding agreement with respect to the subject matter contained herein;
- b. you have a valid director's identification number as prescribed under applicable law;
- c. you are registered on the databank of independent directors and hold a valid certificate of registration and shall be registered on the databank of independent directors through the entire term; and
- d. you are not disqualified from being appointed as a director on the Board of the Company under the Act.

The Company represents and warrants that as on the date of this letter of appointment, the execution, delivery and performance of this letter of appointment by the Company does not and will not conflict with, breach, violate or cause a default under any contract, agreement, instrument, order, judgment or decree to which the Company is a party or by which the Company is bound and that this letter of appointment constitutes a valid and legally binding agreement with respect to the subject matter contained herein.

9. Termination

Your directorship on the Board of the Company shall terminate or cease in accordance with the provisions of the Act. You may resign from the directorship of the Company any time by giving reasonable notice in writing to the Company stating the detailed reasons for resignation and a confirmation that there are no such material reasons other than those provided in the notice.

Notwithstanding anything contained in this letter of appointment, your appointment will cease immediately in case you incur any disqualification under Section 164 of the Act or if your office is vacated by virtue of Section 167 of the Act, or any other applicable law. In such an event, you agree to immediately notify the Company of the disqualification / reason for vacation of office and you shall cease to be a director of the Company with effect from the date of such disqualification or reason for vacation of office.

10. Miscellaneous

- a. You shall have access to confidential information of the Company and all information acquired by you during your tenure of directorship is confidential and should not be disclosed, either during your tenure or following termination (by whatever means), to third parties without prior written consent from the Company, unless required by law or by the rules of any regulatory body. In the latter case, you would need to suitably inform the Company of such an event or disclosure. You are requested to direct any media queries or approaches to the Company. On reasonable request, you shall return any documents and other materials made available to you by the Company.
- b. No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.
- c. As per the terms of the Act and the Listing Regulations, the terms of this letter along with your detailed profile shall be disclosed on the website of the Company and shall be open for inspection at the registered office of the Company by any member of the Company.

11. Jurisdiction and Governing Law

This letter is governed by and will be interpreted in accordance with Indian law. Subject to the above, the Company and the director irrevocably agree that the Courts of Mumbai shall have exclusive jurisdiction to try any dispute or claim that arises out of or in connection with this Agreement or its subject matter or formation (including non-contractual disputes or claims). The Company and the director shall have the ability to obtain interim, injunctive or equitable relief as permissible under applicable law.

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 fulfillment 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 those 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 behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his 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 formalized 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 a period of not more than one hundred and eighty days 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 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.

Relevant provisions of the Companies Act, 2013

Section 2 (60) of the Companies Act, 2013: Definition

“Officer who is in default” for the purpose of any provision in this Act which enacts that an officer of the Company who is in default shall be liable to any penalty or punishment by way of imprisonment, fine or otherwise, means any of the following officers of a Company, namely:

1. Whole-time director;
2. Key managerial personnel;
3. Where there are no key managerial personnel, such director or directors as specified by the Board in this behalf and who has or have given her or their consent in writing to the Board to such specification, or all the directors, if no director is so specified;
4. Any person, who under the immediate authority of the Board or any key managerial personnel, is charged with any responsibility including maintenance, filing or distribution of accounts or records, authorizes, actively participates in, knowingly permits, or knowingly fails to take active steps to prevent, any default;
5. Any person in accordance with whose advice, directions or instructions the Board of Directors of the Company is accustomed to act, other than a person who gives advice to the Board in a professional capacity;
6. Every director, in respect of contravention by virtue of the receipt by him of any proceedings of the Board or participation in such proceedings without objecting to the same, or where such contravention had taken place with her consent or connivance;
7. In respect of the issue or transfer of any shares of a Company, the share transfer agents, registrars and merchant bankers to the issue or transfer.

Section 134 (5) of the Companies Act, 2013: Financial statement, Board’s Report etc.

The Director’s Responsibility Statement referred to in clause (c) of sub-section (3) shall state that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared annual accounts on a going concern basis; and
- (e) The directors, in the case of a listed company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively

Explanation – For the purpose of this clause, the term “internal financial controls” means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information;

The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Section 149 (6) of the Companies Act, 2013: Company to have Board of Directors

An Independent Director in relation to a Company, means a director other than a Managing Director or a whole-time director or a nominee director:

- (a) Who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (b) (i) who is or was not a promoter of the Company or its holding, subsidiary or associate Company;
(ii) who is not related to promoters or directors in the Company, its holding, subsidiary or associate Company;
- (c) who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters or directors, during the two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (e) who neither himself nor any of her relatives:
 - i. holds or has held the position of key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of:
 - (A) A firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company;
 - (B) Any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten percent or more of the gross turnover of such firm;
- (f) holds together with her relatives two percent or more of the total voting power of the Company;
or
- (g) is a Chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five percent, or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the Company; or
- (h) who possesses such other qualifications as may be prescribed.

Section 149 (8) of the Companies Act, 2013: Company to have Board of Directors

The Company and independent directors shall abide by the provisions specified in Schedule IV.

Section 149 (12) of the Companies Act, 2013: Company to have Board of Directors

Notwithstanding anything contained in this Act:

1. An independent director;
2. A non-executive director not being promoter or key managerial personnel; shall be held liable, only in respect of such acts, omission or commission by a Company which had occurred with her knowledge attributable through Board processes, and with her consent or connivance or where he had not acted diligently.

Section 166 of the Companies Act, 2013: Duties of Directors

1. Subject to the provisions of this Act, a director of a Company shall set 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 her duties with due and reasonable care, skill and diligence and shall exercise independent judgement
4. A director of a Company shall not involve in a situation in which he may have a director 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 her relatives, partners or associates and if such director is found guilty of making any undue gain, she shall be liable to pay an amount equal to that gain to the Company
6. A director of a Company shall not assign her office and any assignment so made shall be void.
7. If a director of the Company contravenes the provision 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.

Section 188 (5) of the Companies Act, 2013: Related Party Transactions

Any director or any other employee of a Company, who had entered into or authorized the contract or arrangement in violation of the provisions of this section shall –

1. In case of a listed Company, be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees, or with both; and
2. In case of any other Company, be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to five lakh rupees

Obligations with respect to independent director

Regulation 25 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. A person shall not serve as an independent director in more than seven listed entities: Provided that any person who is serving as a whole-time director in any listed entity shall serve as an independent director in not more than three listed entities.
2. The maximum tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard, from time to time.
3. The independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.
4. The independent directors in the meeting referred in sub-regulation (3) shall, inter-alia:
 - a) review the performance of non-independent directors and the board of directors as a whole;
 - b) review the performance of the chairperson of the listed entity, 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 management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.
5. An independent director shall be held liable, only in respect of such acts of omission or commission by the listed entity which had occurred with her knowledge, attributable through processes of board of directors, and with her consent or connivance or where she had not acted diligently with respect to the provisions contained in these regulations.
6. An independent director who resigns or is removed from the board of directors of the listed entity shall be replaced by a new independent director by listed entity at the earliest but not later than the immediate next meeting of the board of directors or three months from the date of such vacancy, whichever is later:

Provided that where the listed entity fulfils the requirement of independent directors in its board of directors without filling the vacancy created by such resignation or removal, the requirement of replacement by a new independent director shall not apply.
7. The listed entity shall familiarize the independent directors through various programs about the listed entity, including the following:
 - a) nature of the industry in which the listed entity operates;
 - b) business model of the listed entity;
 - c) roles, rights, responsibilities of independent directors; and
 - d) any other relevant information
