



**TTK Healthcare
LIMITED**

August 22, 2014

**Mr B N Bhagwat
"Priya"
No.9, Abdul Gaffar Khan Road
Worli Sea Face
Mumbai 400 025**

Dear Mr Bhagwat,

**Re: Appointment as an Independent Director of TTK Healthcare Limited
("the Company")**

On behalf of the Board of Directors ("the Board") of the Company, I take immense pleasure in confirming your appointment as an Independent Director of the Company in terms of the applicable provisions of the Companies Act, 2013 ("the Act"), Rules made thereunder and the Revised Clause 49 of the Listing Agreement ("Clause 49") and as approved by the Board of Directors vide Circular Resolution dated 16th July, 2014 and by the Shareholders at the Fifty Sixth Annual General Meeting held on 22nd August, 2014.

Your appointment and other terms and conditions are subject to Company policy, Articles of Association of the Company, the relevant and applicable provisions of the Act read with Schedule IV to the Act and Rules made thereunder and Clause 49 as amended from time to time and as in force.

TERMS AND CONDITIONS

APPOINTMENT:

- (i) The appointment is for a consecutive term of 5 (five) years commencing from 22nd August, 2014 till 21st August, 2019 on non-rotational basis unless otherwise terminated earlier by either side in terms of Section 168 or Section 169 of the Act as applicable. Any re-appointment shall be on the basis of report of performance evaluation presented by the other Directors on the Board.
- (ii) You will strictly abide by the Code for Independent Directors and other requirements detailed in Schedule IV to the Act. The Schedule IV is enclosed to this letter – **Annexure-A**.

- (iii) The Board, in order to derive benefit out of your rich and varied experience, may request and nominate you to serve on one or more Committees of the Board during your tenure.
- (iv) The Board expects you to dedicate sufficient time and attention towards the business affairs of the Company and participate actively / constructively in:
 - All meetings of the Board;
 - Committee(s) in which you are a member or Chairperson;
 - General Meetings of the Company; and
 - Annual Meeting of the Independent Directors.
- (v) By accepting the Appointment, you confirm that you will be in a position to allocate sufficient time to meet the expectations of your role as an Independent Director.

ROLE:

- (i) In addition to the role specified under Schedule IV to the Act, you are expected to bring an independent judgement to the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- (ii) You are further expected to provide an objective view in the evaluation of performance of the Board and Management and further scrutinize the performance of Management in meeting agreed goals and objectives.

DUTIES:

You will adhere to the below mentioned Duties as specified under Section 166 of the Act in addition to the duties mandated under Schedule IV to the Act:

- (i) Subject to the provisions of this Act, you shall act in accordance with the Articles of Association of the Company.
- (ii) You 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.

- (iii) You shall exercise your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (iv) You shall not involve yourself in a situation, in which you may have a direct or indirect interest that conflict or possibly may conflict, with the interest of the Company.
- (v) You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates and if found guilty of making any undue gain, you shall be liable to pay an amount equal to that gain to the Company.
- (vi) You shall not assign your Office and any assignment so made shall be void.
- (vii) In addition to the above, you shall abide by the Code of Conduct devised by the Company for the Board and Senior Management.

LIABILITIES:

As an Independent Director of the Company you shall have the same responsibility like any other Director on the Board. However, you shall be held liable in respect of such acts of omission or commission of the Company which had occurred with your knowledge, attributable through Board processes and with your consent or connivance or where you had not acted diligently.

FEES / COMMISSION / REIMBURSEMENT OF EXPENSES:

- (i) Subject to the provisions of the Act and Articles of Association of the Company, you will be paid a Sitting Fee of Rs.5,000/- for attending every meeting of the Board as a Director and Rs.5,000 for every Meeting of the Committee as a Member. The Sitting Fee payable may be revised by the Board from time to time as it may deem appropriate within the ceiling as may be prescribed under the Companies Act, 2013, .
- (ii) You shall be paid travelling and other out-of-pocket expenses incurred in attending and returning from meetings of the Board of Directors or of any Committee thereof or in connection with the business of the Company. You are required to submit details of expenses together with appropriate receipts so incurred to the Company Secretary.

- (iii) Currently the Company does not have a policy on payment of commission to Directors who are not whole time directors. However in future, subject to the provisions of the Companies Act, 2013, approval of the shareholders as required under the Act and further based on the criteria that may be formulated, you may be paid annual commission.
- (iv) You shall not be entitled to any Stock Options that may be issued by the Company in future.
- (v) During your tenure of appointment as an Independent Director, the Company may seek your professional advice / service, if required, on certain issues whenever appropriate, at the Company's expense.

INSURANCE:

The Company will use its best endeavors to maintain appropriate Directors' and Officers' (D&O) liability insurance during your tenure as an Independent Director of the Company.

OTHER COMPLIANCES:

- (i) During your tenure as an Independent Director you will comply with all applicable and related provisions of the Act, Clause 49 (including any statutory or other modification or re-enactment thereof) and any other applicable law or regulation in force.
- (ii) You are requested to maintain the limits of Directorship / Committee Membership and Chairmanship as required under Section 165 of the Act read with the applicable rules made thereunder and as per Clause 49. Further, you shall inform the Company about appointment / cessation of Directorship / Committee Membership in the requisite format, as prescribed under the Act read with Rules..
- (iii) At the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect your status as an Independent Director, you are required to give a declaration to that effect confirming that you meet the criteria of independence (as required under Sections 149(6) / 149(7) of the Act).
- (iv) You are requested to furnish disclosure of interest to the Company as required under Sections 184 and 164(2) of the Act as well as to avoid any conflicts.

- (v) You shall be required to attend the Annual Meeting of Independent Directors and discuss the agenda as provided in Schedule IV to the Act.
- (vi) During your tenure with the Company in case you get disqualified as provided in Section 164(1) of the Act, you are requested to intimate the Company.
- (vii) You are also requested to ensure that the conditions as prescribed under Section 167 of the Act are not attracted resulting in vacation of your office.

INDUCTION:

The Company has devised an induction programme for any new Directors joining the Board. The Company will also arrange periodical training/familiarization sessions including briefings from Management and site visits. Please avail yourself of these opportunities as full as is appropriate to your role and personal circumstances.

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.

CONFIDENTIALITY:

- (i) You acknowledge that all information acquired during your appointment is confidential to the Company and should not be released, communicated nor disclosed either during your appointment or following termination (by whatever means), to third parties without prior clearance from the Board of Directors of the Company.
- (ii) Your attention is drawn to the requirements under the law, applicable regulations and the Company policy towards disclosure of price sensitive information. You shall abide by the Code of Insider Trading devised by the Company and strictly avoid making any statements that might risk a breach of these requirements without the prior clearance from Company Secretary.

- (iii) Upon termination of your appointment with the Company (for whatever cause), you shall deliver to the Company all documents, records, papers or other Company property which may be in your possession or under your control and which relate in any way to the business affairs of the Company and you shall not retain any copies thereof:

EVALUATION:

You will be evaluated annually in terms of the Policy on Board Evaluation as may be in force from time to time. The policy is for the purpose for evaluation of the Board, the Committees of the Board and individual Director, including the Chairman of the Board. Your appointment and re-appointment on the Board shall be subject to the outcome of the yearly evaluation process.

TERMINATION:

- (i) You may resign from your position at any time in the manner provided under Section 168 of the Companies Act, 2013.
- (ii) Your appointment may be terminated in the manner provided under Section 169 of the Companies Act, 2013.
- (iii) Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company in force from time to time.
- (iv) Your appointment will stand terminated in case you attract disqualification as provided under Section 164 of the Companies Act, 2013.
- (v) You will not be entitled to compensation on account of termination of your office.

PUBLICATION OF LETTER OF APPOINTMENT:

In terms of Schedule IV to the Act, your Letter of Appointment will be displayed on the Company's website www.ttkhealthcare.com and the same shall be open for inspection at the Registered Office of the Company by any member during normal business hours.

GOVERNING LAW:

This Letter and any non-contractual obligations arising out or in connection with Letter are governed by and shall be construed in accordance with the laws of India and your engagement shall be subject to the jurisdiction of the Indian Courts.


Please confirm your agreement to the above terms and conditions by signing and returning to me the enclosed duplicate of this Letter.

Thanking you,

Yours faithfully,
For and on behalf of TTK Healthcare Limited


T T Jagannathan
Chairman

I hereby acknowledge receipt and accept the terms set out in this Letter.

Signature : 

Date : _____

SCHEDULE IV

[See section 149(7)]

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) 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 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;
 - (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.
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PROFILE OF MR B N BHAGWAT

Mr B N Bhagwat held various positions in Government and has vast experience both in Government and Industry. He was earlier on the Board of the erstwhile TTK Biomed Ltd., which merged with your Company.

He was inducted into the Board of your Company in the year 2000. He does not hold any other Directorship.

He is the Chairman of the Remuneration Committee and a member of the Audit Committee.
