



GENNOVA BIOPHARMACEUTICALS LIMITED

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

Terms and Conditions of Appointment of Independent Directors of Gennova Biopharmaceuticals Limited (“the Company”)

The terms of appointment of an Independent Director shall be subject to the provisions of the Companies Act, 2013 read with Schedule IV as amended from time to time.

1. Tenure/ Term of appointment:

The tenure/ term of appointment shall be as may be determined by the Board and the shareholders in accordance with applicable laws. As an Independent Director, he/she will not be liable to retire by rotation.

2. Expectations of the Board:

As an independent director on the Board of the Company, kindly adhere to the guidelines for professional conduct and role/functions as detailed in Schedule IV of the Companies Act 2013 and more particularly set out under **Annexure - I**.

He/she shall apply the highest standard of confidentiality and not disclose to any person or company (whether during his/her tenure or following cessation) any confidential information concerning the Company or any group companies which he/she may have acquired.

3. Appointment to the Committees of the Board:

He/she may also be appointed as a member/ chairman of any committee of the Board, as may be determined by the Board of Directors of the Company from time to time. Such appointment shall be made in consultation with him/her.

4. Performance Evaluation:

He/she will be subjected to performance evaluation as per the policy of the Company, as may be approved and implemented by the Board from time to time in compliance with the requirements of the applicable laws.

5. Insurance:

The Company has availed a Directors’ and Officers’ Liability Insurance and it is intended to maintain such cover for the full term of his/her appointment.

6. Remuneration:

He/she would be entitled to sitting fees for attending the meetings of the Board and the Committees of which he/she is a member. The sitting fees for each meeting shall be as determined by the Board of Directors of the Company (in accordance with the provisions of law) from time to time. He/she would be entitled to commission as may be determined by the Board from time to time. Further, the Company will reimburse him/her for all reasonable and properly documented expenses he/she may incur in performing his/her role as an Independent Director.

ANNEXURE - I

Code of Conduct 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 decisionmaking;
- (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) scrutinise 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.
