

Terms of Appointment of Independent Director

Parties	Neuland Laboratories Limited, Hyderabad (the “ <u>Company</u> ”); and [●] (the “ <u>Director</u> ”).
Term	<p>The Director shall hold office for a period of [●] years effective from [●] upto [●].</p> <p>The tenure is subject to meeting the criteria of being an Independent Director and not being disqualified to be a Director under the applicable laws as may be amended from time to time.</p>
Fees and Expenses	<p>Sitting fee:</p> <ul style="list-style-type: none">- Rs.50,000 per each meeting of Board of Directors and Audit Committee or as may be decided by the Board from time to time and in accordance with applicable laws / Regulations- Rs.20,000 per each meeting of all other Board Committees and Independent Directors meeting or as may be decided by the Board from time to time and in accordance with applicable laws / Regulations, <p>In addition to the above the Company will, for the period of your appointment, provide you travel and accommodation as and when required or reimburse you for travel, hotel and other incidental expenses, if any, incurred by you in the performance of your role and duties.</p> <p>The Sitting fees payable in respect of Committee meetings, is subject to you being a member of the Committee.</p>
Commission	As decided by the Board, with the authority of the shareholders, as per applicable provisions of Companies Act, 2013 and Rules thereunder.
Role and Functions	<p>The independent director shall:</p> <ol style="list-style-type: none">(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 himself / herself 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.

(9) any other functions as may be mandated by the regulatory authorities.

Duties

During the continuance of the Director's appointment, the Director 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.
- exercise his / her duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- not involve in a situation in which he / she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company and shall inform the Board about any possible conflicts well in advance.
- not achieve or attempt to achieve any undue gain or advantage either to himself / herself or to his / her relatives, partners, or associates and if such director is found guilty of making any undue gain, he / she shall be liable to pay an amount equal to that gain to the company.
- not assign his / her office and any assignment so made shall be void.
- use reasonable best efforts to attend all convened meetings of the Board and, if requested by the Board and meetings of the shareholders of the Company.
- comply with all reasonable requests and regulations made or given by a person from the Company or the Board (or by any duly authorized committee thereof) and give to the Company / Board such explanations, information and assistance as the Company / Board may reasonably require;
- use commercially reasonable efforts to promote and extend the interests and reputation of the Company, including assisting the Board in relation to public and corporate affairs and bringing to bear for the benefit of the Board the Director's particular knowledge and experience.

Duties as Committee members shall be as per the Terms of Reference provided by the Board and will include attendance of Committee meetings.

Since you are appointed as an independent director, you shall promptly inform the Board of any circumstances that would likely affect such independent status.

Further, independent directors shall be governed by the provisions of the Companies Act, 2013 and Rules thereunder ("the Act"), including but not limited to the provisions of Section 149(8) of the Act read with Schedule IV of the Act, and the SEBI Regulations including SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time.

Performance Evaluation Process	As a member of the Board, your individual performance as well as the performance of the entire Board will be evaluated annually. Evaluation of each director will be done by other directors. The performance of independent directors will be evaluated as per criteria which may be evolved and reviewed from time to time.
Fiduciary Obligations	The composition, practices and committees of the Board, including matters relating to the size, independence and composition of the Board, the election and removal of directors, requirements relating to Board action, the powers delegated to Board committees and the appointment of executive officers, are governed by the Articles of Association of the Company, Companies Act, 2013 read with Rules thereon and any other applicable regulations and laws in force from time to time. The Articles of Association of the Company is available at NLL MOA AOA.pdf
Confidential Information	<p>The Director agrees that both during and after his / her time as a director of the Company, the Director will not use for the Director's own, or for another's benefit, or disclose or permit the disclosure of any confidential information relating to the Company, including without limitation any information about the deliberations of the Board. Further the Director agrees to strictly adhere to the requirements of SEBI (Prohibition of Insider Trading) Regulations with respect to the unpublished price sensitive information that he or she may be privy to.</p> <p>The restriction shall cease to apply to any confidential information which may (other than by reason of the Director's breach of these terms) become available to the public generally.</p> <p>The Director also agrees during his / her appointment that he / she will not, other than for the benefit of the Company and in connection with his / her service as a director, memoranda, electronic records, tape records, films, photographs, plans, drawings or any form of record relating to any matter within the scope of the business or concerning the dealings or affairs of the Company and will return any such items at any time at the request of the Board.</p> <p>The Director confirms that he / she has notified the Board in writing of all other directorships, appointments and interests, including any directorship, appointment or interest in a company, business or undertaking which competes or is likely to compete with the Company or which could otherwise potentially give rise to a conflict with his / her duties with the Company.</p> <p>The Director undertakes that during the term of the Director's appointment, he / she will promptly disclose to the Board in writing any new directorship, appointment or interest.</p>
Indemnification	The Company shall indemnify, to the fullest extent permitted by law, the Director against any and all losses, claims, damages, liabilities, expenses (including legal fees and expenses, which shall be advanced by the Company to the fullest extent permitted by law prior to a final and non-appealable determination that the

Director is not entitled to be indemnified), judgments, fines, penalties, interest, settlements or other amounts arising from any and all threatened, pending or completed claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, and whether formal or informal and including appeals, in which the Director may be involved, or is threatened to be involved, as a party or otherwise, by reason of his / her status or former status as a director whether arising from acts or omissions, except to the extent such indemnification claim is finally determined by a court of competent jurisdiction to arise out of the Director's bad faith, fraud or wilful misconduct.

Insurance	The Company has an insurance policy under which the directors and officers of the Company are insured, subject to the limits of the policy, against certain losses arising from claims made against such directors and officers by reason of any acts or omissions covered under the policy in their respective capacities as directors or officers of the Company, including certain liabilities under securities laws.
Miscellaneous	This letter does not create the relationship of employee and employer between the Director and the Company.
Notices	Any notice to be given under the terms of this letter shall, in the case of notice to the Company, be deemed to be given if hand delivered at or sent by registered post or email transmission (addressed to the Chairman) to 11th Floor (5th Office Level), Phoenix IVY Building, Plot No. 573A-III, Road No.82, Jubilee Hills, Hyderabad - 500033, Telangana, India or in the case of notice to the Director, if handed to him / her personally or left at or sent by registered post or email transmission to his / her last-known address. Any such notice shall be deemed to be given at the time of its delivery or dispatch by facsimile transmission or on the next following weekday (not being a public holiday) after it was posted.
Vacation of office	<p>The Director will vacate his / her office, if such Director:</p> <ul style="list-style-type: none">(i) resigns his / her office in writing delivered to the Chairman;(ii) is absent from meetings of the Board (such absence not being absence with leave or by arrangement with the Board or the Company Secretary) for one year in succession and the Manager shall have resolved that his / her office shall be vacated; or(iii) becomes prohibited by law from acting as a director.