

Letter of Appointment

Date: 19th June, 2014

To

Mr. Anup P. Shah
Suite 8, Jal Kiran,
Cuffe Parade,
Mumbai – 400 005

Sub: Your appointment as an Independent Non - Executive Director of Claris Lifesciences Limited (the "Company")

Pursuant to Section 149 read with Schedule IV to the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement and in further pursuance to the resolution passed by the Shareholders at their Annual General Meeting held on June 17, 2014 based on the recommendation of the Board of Directors ("the Board") of the Company, we have pleasure in issuing this formal Letter of Appointment to confirm your appointment as an **Independent Non-Executive Director** on the Board of Claris Lifesciences Limited. The terms and conditions governing your appointment are summarized below. Please take note that this is a contract for services and is not a contract of employment.

Duration of Appointment

Your appointment is for the term of five years with effect from April 1, 2014 up to March 31, 2019. Your tenure in office, so long as you remain an Independent Non-Executive Director, shall not be liable to retire by rotation.

Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.

Your appointment, continuation in office of the Independent Director is subject to the provisions of the Companies Act, 2013, the Rules framed thereunder and the Listing Agreement with the Stock Exchanges.

Key functions as a Member of the Board

As a member of the Board, your role is to effectively represent and promote the interests of the shareholders with a view to adding long-term value to the Company's growth.

Having regard to this role, as an Independent Director, you shall fulfil certain key functions, including:

- a. Reviewing and guiding Corporate Strategy, major plans of action, annual budgets, and business plans; setting performance objectives; risk management, resources, key appointments, monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and investments/ disinvestments.



- b. Deciding on whatever steps are necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
- c. Monitoring the effectiveness of the Company's governance practices and making changes as needed.
- d. Ensuring the integrity of Company's accounting and financial reporting systems and ensure that appropriate system of control are in place, particularly financial, operational control and compliance with the law and relevant standards.
- e. Monitoring the performance of management;
- f. Selecting, compensating, monitoring and when necessary, replacing key executives and overseeing succession planning
- g. Aligning Board remuneration and Key executives with the long term interest of the company and its shareholders.
- h. Ensuring transparent Board nomination process with the diversity of thought, experience and knowledge in the Board.
- i. Monitoring the related party transactions to safeguard the interest of shareholders
- j. Overseeing the process of disclosure and communications
- k. To set Corporate Culture and the values by which executives throughout a group will behave.
- l. To uphold/ apply high ethical standards of integrity and probity taking into account the interests of stakeholders.
- m. To encourage continuing directors training to ensure that the Board members are kept up to date.
- n. To encourage other members of Board to commit themselves effectively to their responsibilities.
- o. To act objectively and constructively while exercising your duties.
- p. Exercise your responsibilities in a bona fide manner in the interest of the company.
- q. Devote sufficient time and attention to your professional obligations for informed and balanced decision making.
- r. Not allow any extraneous considerations that may vitiate your 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.
- s. Not abuse your 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.
- t. Refrain from any action that would lead to loss of your independence.
- u. Where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly.
- v. Assist the Company in implementing the best corporate governance practices.

In the normal course of events, the day-to-day management of the Company is left to the Managing Director, Executive Directors and other members of Management team.





As a Director, you are expected to take decisions objectively in the interests of the Company. The board as a whole is collectively responsible for the success of the Company. All directors, whether Non-Executive or Executive, have the same general legal responsibilities.

Membership of the Committees

Presently you are a member of various committee/s of the Board more particularly listed in **Annexure-I**. The terms of reference of each of these Committee is given in **Annexure-I**.

Role in the Company

Your role in the Company is expected as follows:

- a. To 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.
- b. To bring an objective view in the evaluation of the performance of the Board and the management.
- c. To scrutinize the performance of the management in meeting agreed goals and objectives and monitor the reporting of performance.
- d. Satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.
- e. Safeguard the interests of all stakeholders, particularly the minority shareholders.
- f. Balance the conflicting interest of the stakeholders.
- g. 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.
- h. Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

Fiduciary Duties along with accompanying Liabilities

Duties

As an Independent Director you shall—

- a. undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company.
- b. 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.
- c. strive to attend all meetings of the Board of Directors and of the committees of which you are a member.
- d. participate constructively and actively in the committees of the Board in which you are the chairperson or member.
- e. strive to attend the general meetings of the Company.
- f. where you 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.
- g. keep yourself well informed about the Company and the external environment in which it operates.



- h. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board.
- i. 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.
- j. 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.
- k. report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
- l. acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees.
- m. 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.

Liabilities

As an Independent Director you may be held liable for the default for a particular provision of the Companies Act, 2013 if such violation has taken place with your knowledge attributable through board process, with your consent or connivance and where you failed to acted diligently.

Provisions for Directors and Officers (D & O) Insurance

The Company has taken Directors and Officers insurance from ICICI Lombard General Insurance Company Limited.

The Code of Conduct and Business Ethics

The Code of Conduct and Business Ethics for Directors and Senior Management and the Vigil Mechanism / Whistle Blower Policy are given in **Annexure II** and **III** respectively. You are expected to follow and comply with the same.

Code of Insider Trading

The Code of Insider Trading is given in **Annexure IV**. You are expected to follow and comply with the same.

Prohibited Actions/ Functions

During the period your remain as an Independent Director, neither you nor any of your relative (for the list of relatives, please refer to **Annexure V**) –

- a. shall hold the position of a key managerial personnel or be has been employee of the company or its holding, subsidiary or associate company.
- b. shall become an employee or proprietor or a partner of:
 - i. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - ii. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;



