

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

The terms and condition of appointment of Independent Directors of M/s. Tyche Industries Limited are subject to applicable provisions of the Companies Act, 2013("the Act") and Regulation 17 to 27 and 46(2) (b) to (i) and para C, D, and E of Schedule V of the Listing agreement (formerly known as Clause 49 Listing Agreement), as amended from time to time, the Article of Associations of the Company, Tyche code of conduct of Directors and its code of Conduct for the prevention of Insider Trading. The following are the details of Independent Directors of the Company.

| Sr. No. | Name of Independent Director | Director Identification Number | Tenure     |            |
|---------|------------------------------|--------------------------------|------------|------------|
|         |                              |                                | From       | To         |
| 1.      | Mr.Boosa Eshwar              | 01879193                       | 30-09-2019 | 29-09-2024 |
| 2.      | Mr Sai Sudhakar Panchakarla  | 08397860                       | 30-09-2019 | 29-09-2024 |
| 3.      | Ms. P Vijaya lakshmi         | 06939858                       | 30-09-2019 | 29-09-2024 |

### **Term of Appointment:**

The appointment of Independent Directors is for a period of 5(five) years from the date of their respective appointment. The Independent Directors are not liable to retire by rotation. Re- appointment of Independent Director at the end of their tenure shall be considered by the Board of Directors ("the Board") based on the recommendation of the Nomination and Remuneration Committee and performance evaluation process, subject to the Directors continuing to meet the criteria on Independent Directors.

The Independent directors may be nominated to be a member or Chairman of any one or more committees of the Board.

### **Role, Functions and Duties:**

The role, functions and duties of the Independent Directors shall be in accordance with the provisions of schedule IV (Code of Independent Directors) to the Act, which inter alia includes:

As members of the Board, the Independent Directors along with the other Directors will be collectively responsible for meeting the objective of the Board, viz.,

- Requirements under the Companies Act, 2013 and rules framed there under.
- Responsible of the Board in relation to Corporate Governance as outline in Regulation 17 to 27 and 46(2) (b) to (i) and para C, D, and E of Schedule V (formerly known as clause 49 Listing Agreement) and Tyche's code for Independent Directors.
- Accountability under Directors Responsibility Statements which a form a part of the Board Report.
- Review of Companies business strategy, financial plan and monitor performance of the company.
- Safeguarding the interest of all Stakeholders.
- Advice and counsel management in the respective area of expertise.

### **Remuneration:**

The Independent Directors shall be paid sitting fees for attending the meeting of the Board and the committees of which they are members. The sitting fees payable shall be determined by the Board from time to time.

In addition to the sitting fees, the Independent Directors may also pay a commission, as may be determined by the Board, as recommended by the Nomination and Remuneration committee after considering the performance of the Company and the performance and contribution of the Directors, as evaluated by the Board.

Further, the Company may reimburse the Independent Directors such expenditure, as may be incurred by them while performing their roles as an Independent Directors of the Company, including expenditure incurred by the travel, accommodation or any pocket out of expenses for attending Board / committee meetings, general meetings, meeting with Shareholders / Creditors / management, induction and training programmes.

### **Tyche's code of conduct:**

The Independent Directors of the company shall comply with Tyche's code of conduct for Board of Directors and its code for Independent Directors.

Unless specifically authorized by the company, the Independent Directors shall keep confidential all information concerning the company and shall not divulge or disclose the same to any person during the term of their appointment. Their obligation of confidentiality shall survive cessation of their directorship with the company.

The provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Tyche's code of conduct for prevention of Insider trading, as amended from time to time, prohibiting disclosure or use of unpublished price sensitive information shall be applicable to the Independent Directors.

### **Training and Development:**

The company would provide necessary support to Independent Directors in updating their skills and knowledge with respect to the pharmaceutical industry and to improve them

familiarity with the company and its business. The company may, if required, will conduct formal training programme for its Independent Directors.

### **Performance Appraisal / Evaluation Process:**

As members of the Board, the performance of the Independent Directors as well as the performance of the entire Board and its Committee will be evaluated annually. Evaluation of each Director shall be done by all the other directors. The actual evaluation process shall remain confidential and shall be constructive mechanism to improve the effectiveness of the Board / Committee.

### **Disclosures:**

During the tenure of their directorship, the Independent Directors shall notify promptly the Company of any change in their directorship and shall provide all disclosures and in information as may be required under the applicable laws. They shall also upon becoming aware of any potential conflict of interest with their position as Independent Directors of the Company, promptly disclose the same to the Chairman of the Board or Company Secretary.

### **Disengagement:**

The Independent Directors may resign from the Directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall effect from the date on which the notice receive by the company or the date if any specified by them in the notice whichever is earlier.

The directorship of independent director on the Board shall cease in accordance with the provisions of the Companies Act, 2013 or other applicable laws. The company may disengage the Independent directors prior to the completion of their terms (subject to compliance of relevant provisions of the Act) upon:

- Their violating any of the provisions of the Tyche's Code of conduct applicable to the Independent Directors.
- The Independent Directors failing to meet the criteria for independence as envisaged in Section 149(6) of the Act and Regulation 17 to 27 and 46(2) (b) to (i) and para C, D, and E of Schedule V (Clause 49) of the Listing Agreement, as amended from time to time.

## **COMPOSITION OF VARIOUS COMMITTEE OF BOARD OF DIRECTORS**

### **1. Audit Committee:**

The committee at present consists of three members namely Mr. Boosa Eshwar, Mr Sai Sudhakar Panchakarla and Mr. G Ganesh Kumar out of which two are Independent Directors. Mr.Boosa Eshwar is the Chairman of the Audit Committee who is the independent Director of the company. All members of the Audit committee possess sufficient knowledge and experience in the field of Finance and Accounts and various fields of business administration.

### **2. Nomination & Remuneration Committee:**

Nomination and Remuneration Committee was duly constituted and comprise of 3 Independent Directors of the company namely Mr. Boosa Eshwar, Mr Sai Sudhakar Panchkarla and Ms. P. Vijayalakshmi. Mr. Boosa Eshwar is the Chairman of this Committee.

### **3. Stakeholders Relationship Committee:**

The Stakeholders relationship Committee of comprises three members namely Mr. Boosa Eshwar, Mr Sai Sudhakar Panchkarla and G Ganesh Kumar, Mr. Boosa Eshwar is Chiarman of the Stakeholder relationship committee.

### **4. Corporate Social Responsibility Committee:**

The CSR Committee comprises of Mr. G Ganesh Kumar, Mr. Boosa Eshwar and Mr. Sai Sudhakar Panchakarla as its members. Mr.G.Ganesh Kumar is the Chairman of the committee.

## **Relevant extracts of the under Companies Act, 2013**

### **Meaning/Definition of Independent Director**

**As per Section 2(47)**, “independent director” means an independent director referred to in sub-section (5) of section 149;

**Section 149 (6)** contains that –

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 per cent. 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 his relatives—

(i) holds or has held the position of a 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; or

(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 per cent. or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent. or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or

(f) who possesses such other qualifications as prescribed below:

An independent director shall possess appropriate balance of skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

### Applicability to Companies

Following class of companies are required to appoint at least 1/3 of total number of directors on their Board of Directors as independent directors:

- Listed Companies,
- Public Companies having paid up share capital of one hundred crore rupees or more; or
- Public Companies having turnover of three hundred crore rupees or more;
- Public Companies which have, in aggregate, outstanding loans or borrowings or debentures or deposits, exceeding two hundred crore rupees.

### **Explanation:**

- Any fraction contained in the 1/3<sup>rd</sup> number shall be rounded off as one.
- The criteria specified for unlisted public companies shall be applicable for the first year and shall continue to apply to that company in subsequent years during the tenure of the Independent Director even if the paid up share capital or turnover, or borrowings/deposits, as the case may be, fall below the limits specified therein.
- A company belonging to any class of companies for which a higher number of independent directors has been prescribed in or under the law/regulations governing such class of companies, shall comply with the requirements specified in such law/regulation.
- Every company existing on or before the date of commencement of this Act shall, within one year from such commencement or from the date of notification of the rules in this regard as may be applicable, comply with these requirements.

### Term of Office of Independent Director

- An independent director shall hold office for a term up to 5 consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.
- No independent director shall hold office for more than 2 consecutive terms, but such independent director shall be eligible for appointment after the expiration of 3 years of ceasing to become an independent director provided that he shall not, during the

said period of 3 years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

- Any tenure of an independent director on the date of commencement of this Act shall not be counted as a term under the above provisions.

#### **Other Provisions relating to Independent Directors**

- The appointment of independent director shall be approved by the company in general meeting and the explanatory statement annexed to the notice of the general meeting called to consider the said appointment shall indicate the justification for choosing the appointee for appointment as independent director.
- Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence.
- The company and independent directors are required to abide by the provisions specified in Schedule IV of the Act.
- An independent director shall not be entitled to any stock option and may receive remuneration by way of fee, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members.
- An independent director shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.
- The provisions relating to retirement of directors by rotation shall not be applicable to appointment of independent directors.

#### **Manner of selection of independent directors and maintenance of databank of independent directors**

To ease the process of selection of independent directors, the Act provides that the Central Government shall create and maintain a data bank of persons willing and eligible to be appointed as independent director and such data bank shall be placed on the website of the Ministry of Corporate Affairs or on any other website as may be approved or notified by the Central Government. The Central Government will authorise anybody, institute or association for this purpose having expertise in creation and maintenance of such data bank. The data bank will contain all the basic details about the proposed appointee. However, responsibility of exercising due diligence before selecting a person from the data bank referred to above, as an independent director shall lie with the company making such appointment. The Central Government or such body, institute or association shall neither be responsible for any contravention of any law committed by any company or its directors by the reason of the fact that the person appointed by the company as an independent director was selected from the databank nor it will be a defines in any court of law.

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