

Dated:

Mr. \_\_\_\_\_  
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Dear Sir,

We are pleased to inform you that the shareholders of the Company at the Annual General Meeting held on \_\_\_\_\_ have approved your appointment as an Independent Director of the Company for five consecutive years. A copy of the resolution passed in this regard is enclosed as Annexure –I.

This tenure is subject to your meeting the criteria for being an Independent Director and not being disqualified to be a Director under the applicable laws i.e. Companies Act, 2013 and Listing Agreement as may be amended from time to time.

**Role and Duties:**

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 (hereinafter referred as “the Act”) and Listing Agreement as may be amended from time to time.

As per the provisions of Section 149(8) of the Act, the Company and independent directors shall abide by the provisions specified in Schedule IV of the Act i.e. Code for Independent Director. (Enclosed herewith as an Annexure- II).

You are required to make disclosure of your interest as per the requirements of Section 184 of the Act.

In case you so desire, Company would provide support to help you familiarize yourself with the relevant duties and obligations.

**Committees:**

The Board of Directors may invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in future.

You are currently nominated on the following committees of the Board:

1. ....
2. ....

**Attending meetings by other means:**

You may give your consent by advance notification to the Chairman or Company Secretary to participate in any meeting(s) of the board or committee thereof, when necessary through video conferencing or other audio visual means except for matters not to be so dealt under the Act.

When necessary you can also participate through telephone, electronic mail or any other technology which permits you to communicate with every other director, though such participation would not be reckoned as attending the meeting under the Act.

**Code of Conduct:**

You will follow the Company's Code of Conduct and furnish the annual affirmation of the same.

You will apply the highest standard of confidentiality and not disclose to any person or company, either during the course of the tenure as an Independent Director or following cessation, any confidential information concerning the Company and Group Companies with which you come into contact by virtue of your position as a director except as permitted by law or with prior clearance from the Chairman or Company Secretary.

**Prohibition on Insider Trading:**

You will follow company's Code of Conduct for prevention of insider trading and the requirements under the Act and SEBI Regulations, which inter-alia requires that price-sensitive information is not used or transmitted and maintained securely. You should not make any statement that might risk a breach of these requirements without prior clearance from the Chairman or Company Secretary.

**Directors and Officers liability Insurance**

The company may obtain in future a Directors' & Officers' liability Insurance Policy for you. Details of the same will be provided to you, if any such policy is taken by the Company.

**Directors' Fees and Reimbursement of Expenses:**

You will be paid sitting fees amounting to Rs.100,000/- for attending each meeting of Board and a committee thereof, as per the provision of Section 197 of the Act and the Articles of Association of the Company.

In addition to the sitting fees described above, the Company shall reimburse you for the expenses incurred by you for travel, hotel and other incidental expenses in the performance of your role and duties.

As an independent director you shall not be entitled to any stock option.

Yours sincerely

**For Godfrey Phillips India Limited**

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**Company Secretary**

**M. No.** .....

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I have read and agree to the above terms regarding my appointment as an Independent Non-Executive Director.

**Signature :**

**Name** : .....

**DIN** : .....

## 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) 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) 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 fulfills 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.