

PARAMOUNT SURGIMED LIMITED

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

1. Appointment

The appointment of a Non-Executive Independent Director on the Board of Directors of the Company is made in accordance with the provisions of Companies Act, 2013 ("Act") and Schedule IV to the Companies Act 2013 and the directorship is not subject to retirement by rotation.

2. Duties and Liabilities:

- a. The Independent Director will perform his/her fiduciary duties in a responsible manner and his/her general legal responsibilities to the Company will be at par with a non-executive director.
- b. The Independent Director shall act in accordance with the Articles of Association of the Company and while discharging his/her comply with the requirements of Section 166 and Schedule IV to the Act.
- c. The Independent Director to be held liable only in respect of such acts of omission or commission by the Company which have occurred with his/her knowledge, attributable through Board processes, and with his/her consent or where Independent Director has not acted diligently.

3. Code for Independent Directors

- a. The Company will rely on the declaration of the Independent Director that he/she meets the criteria of independence as provided in Section 149(6) of the Act.
- b. The Independent Director shall be required to abide by the guide lines as to professional conduct for independent directors as set out in Section 149(8) read with Schedule IV to the Act, as stated in "Annexure-I".
- c. The Independent Director will be required to comply with applicable provisions of a code of conduct framed by the Board for all Board members and Senior Management of the Company.

4. Training and Development:

The Independent Director will be invited to attend ongoing training and familiarization sessions for Directors including site visits. The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

5. Evaluation Process:

The performance of Independent Directors shall be evaluated by the entire Board, excluding the director being evaluated, on an annual basis.

6. Remuneration

The sitting fees presently paid to the Directors (excluding Managing and Whole-time Directors) is Rs.15,000/-per meeting of the Board and Rs.20,000/-per meeting of Audit Committee and other Committee meetings or such amount as may be revised by the board of directors from time to time .

7. Reimbursement of Expenses

In addition to the remuneration described above, the Company will, during the period of appointment of the Independent Director, reimburse travel, hotel and other incidental expenses incurred by Independent Directors in the performance of their roles and duties as a Non-Executive Independent Directors.

8. Confidentiality

The Independent Director will not use, both during and after the term of Appointment/Re-appointment, Independent Directors for his/her own, or for another's benefit, or disclose or permit the disclosure of any confidential information relating to the Company, subsidiary or any group or associate companies of the Company, which he/she may acquire by virtue of his/her position as an Independent Director, including without limitation, any information about the deliberations of the Board. The restriction shall cease to apply to any confidential information which may (other than by reason of the director's breach of this term), become available to the public generally.

9. Indemnity

The directors are granted an indemnity from the Company in respect of liabilities incurred as a result of their office, to the extent permitted by law.

10. Publication of Letter

In line with the provisions of Schedule IV to the Act, the letter of appointment/Re-appointment will be open for inspection by any member at the registered office of the Company and the Company will also post the terms and conditions of the appointment/Re-appointment on the Company's website.

11. Governing Law

The Appointment and the terms are governed by the laws of India.

12. Relationship

The appointment/Re-appointment constitutes neither a contract for services nor a service contract. There will be no relationship of employer and employee as a consequence of appointment/Re-appointment as a director of the Company.

13. Termination

The Non-Executive Independent Director may resign from his position at any time and should he wish to do so, he/she is requested to serve a reasonable written notice on the Board. In terms of provisions of the Act, he/she is required to file copy of his resignation letter with Registrar of Companies.

Continuation of your Independent Directors' appointment/Re-appointment as Non-Executive Independent Director is contingent on his/her getting re-elected by the shareholders in accordance with provisions of the Act and the Articles of Association of the Company, from time to time in force.

14. Authority:

The letter of appointment will be issued under the authority of the Board.

“Annexure-I”

POWER, DUTIES AND RESPONSIBILITIES OF INDEPENDENT DIRECTOR

A. 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.

B. 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. scrutinize 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.

C. DUTIES

The independent director shall:

1. Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
2. Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
3. Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
4. Strive to attend the general meetings of the company;
5. 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;
6. Keep themselves well informed about the company and the external environment in which it operates;
7. Not to unfairly obstruct the functioning of another wise proper Board or committee of the Board;
8. 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;
9. 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;
10. Report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
11. act with in their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
12. 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.
