

**Neogen Chemicals Limited**

Registered Office: Office No. 1002, 10<sup>th</sup> Floor, Dev Corpora Building, Opp. Cadbury Co, Pokhran  
Road No.2, Khopat, Thane- 400601

Tel: +91-22-25497300; Website: [www.neogenchem.com](http://www.neogenchem.com)

---

**TERMS AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTORS AND  
FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTOR**

---

**Contents:**

- 1. Appointment.....3**
- 2. Role and Duties.....3**
- 3. Remuneration.....4**
- 4. Reimbursement of Expenses.....4**
- 5. Code of Conduct.....5**
- 6. Performance Evaluation.....5**
- 7. Disclosures of Conflict of Interest.....5**
- 8. Termination.....5**
- 9. Changes in Personal details.....6**
- 10. Amendments to the Policy.....6**
- 11. Familiarization Programme for Independent Directors.....7**

The terms and conditions of appointment of Independent Directors by Neogen Chemicals Limited (**“Company”**) are as follows:

## **1. APPOINTMENT**

- 1.1. The term ‘Independent Director’ and ‘Director’ shall have the meaning as ascribed to it under the Act. Capitalized terms not defined herein shall have the meaning under the Companies Act, 2013 (**“Companies Act”**), including any rules and regulations / circulars framed and issued thereunder, as may be amended, modified or replaced from time to time.
- 1.2. The appointment of Independent Directors shall be governed by the provisions of the Companies Act and any regulations and rules framed by the Securities and Exchange Board of India (**“SEBI”**).
- 1.3. Appointment shall be for an initial term not exceeding 5 (five) years. Independent Directors are typically expected to serve 2 (two) terms not exceeding 5 (five) years each. Appointment may also be terminated in accordance with the provisions of the Companies Act and Articles of Association of the Company from time to time in force.
- 1.4. An Independent Director shall not be liable to retire by rotation in terms of the provisions of the Act.
- 1.5. Appointment for the second term as an Independent Director shall be based on the recommendation of the Nominations & Remuneration Committee of the Board and subject to approval of the Board of Directors (**“Board”**) and of the Shareholders by way of special resolution. The re-appointment would be considered by the Board based on evaluation of the performance and further subject to satisfying the requisite criteria of Independence as specified in the Companies Act.
- 1.6. The appointment is also subject to the maximum permissible directorships that one can hold as per the provisions of the Companies Act.

## **2. ROLE AND DUTIES**

The role and duties of the Independent Directors will be those as prescribed under the Companies Act, guidelines/circulars issued by SEBI/ stock exchanges, as may be applicable. There are certain duties prescribed for all Directors, both executive and non-executive, which are fiduciary in nature and are broadly as under:

- (a) A 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 interest of the Company and all its stakeholders.
- (b) A Director shall discharge his/her duties with due and reasonable care, skill and diligence.
- (c) A Director shall not be involved in any situation, which may have a direct or indirect interest that conflicts, or is likely to conflict, with the interest of the Company.
- (d) A Director shall not achieve or attempt to achieve any undue gain or advantage either to him/her or to his/her relatives, partners or associates.
- (e) A Director shall not unfairly obstruct the functioning of the Board or any Committee of the Board;
- (f) A Director shall act within his/her authority and assist in protecting the legitimate interest of the Company, its shareholders, its employees and all other stakeholders;
- (g) A Director shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act; and
- (h) A Director shall not disclose any confidential/privileged information of the Company, unless such disclosure is expressly approved by the Board or required by law.

### **3. REMUNERATION**

The Independent Directors will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board from time to time in accordance with the limits prescribed under the Companies Act and rules made thereunder. Further, the Independent Directors will not be granted any options under any employee stock options of the Company.

### **4. REIMBURSEMENT OF EXPENSES**

In addition to the remuneration described above, the Company shall reimburse actual cost incurred for travel, hotel and other incidental expenses incurred by the Directors for participation in the meeting of the Board and Committees thereof in the performance of their role and duties.

## **5. CODE OF CONDUCT**

- 5.1. The Board has put in place a Code of Conduct Policy. All the Independent Directors shall comply with the said Code.
- 5.2. Director's obligation to maintain confidentiality shall survive even after termination or cessation of directorship with the Company.

## **6. PERFORMANCE EVALUATION**

The performance of all the Directors and the entire Board shall be evaluated annually. Evaluation of Independent Directors shall be done by the Board and criteria for evaluation shall be determined by the Nomination & Remuneration Committee of the Board. The appointment/re-appointment/continuation of Independent Directors on the Board shall be subject to the outcome of the yearly evaluation process.

## **7. DISCLOSURES OF CONFLICT OF INTEREST**

- 5.3. The Independent Directors, during their tenure of appointment are expected to promptly notify the Company of any change in the other directorships and also provide such other disclosures and information as may be required under the applicable laws. Upon becoming aware of any potential conflict of interest with the position of Independent Directors of the Company, they should promptly disclose the same to the chairman/chairperson and/or the Company Secretary.
- 5.4. The Independent Directors, during the tenure of their appointment, should promptly provide a declaration to the Company under Section 149(7) of the Act, upon any change in circumstances, which may affect the status as an Independent Director in addition to the annual disclosure.

## **8. TERMINATION:**

- 5.5. An Independent Director may resign from his/her position at any time by serving a notice period of 30 days to the Board of directors.
- 5.6. Continuation of his/her appointment is contingent on his/her getting re-elected by the shareholders' in accordance with provisions of Companies Act and the Articles of Association of the Company, from time to time in force.

- 5.7. The appointment of Independent Directors may also be terminated in accordance with the provisions of the Companies Act and Articles of Association of the Company from time to time in force.

**6. CHANGES IN PERSONAL DETAILS:**

During the tenure of appointment, the Independent Directors shall promptly inform the Company Secretary or the Registrar of Companies in the prescribed manner of any change in address or contact details or personal details provided to the Company at the time of appointment.

**7. AMENDMENTS TO THE POLICY:**

This terms and conditions may be, subject to the applicable laws, amended or substituted with the new provision(s) or replaced entirely with a new terms and conditions. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

**FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) stipulates that the Company shall familiarize the Independent Directors through various programmes about the Company, nature of the industry in which the Company operates, business model of the Company, their roles, rights, responsibilities as Independent Directors of the Company, etc., through various programmes. As per Listing Regulation the details of the Familiarization programme for Independent Directors shall be disseminated on the website of the Company.

**INITIAL FAMILIARIZATION MODULE**

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him/her as a Director of the Company. The Company conducts an introductory familiarization program / presentation, when a new Independent Director comes on the Board of the Company. At the outset, all the independent directors are provided an overview of;

- a) Criteria of independence applicable to Independent Directors as per Listing Regulations and the Companies Act, 2013;
- b) Time allocation by the Independent Directors on financial controls, overseeing systems of risk management, financial management compliance, Corporate Social

Responsibility, Stakeholders conflicts, Board effectiveness, strategic direction, Meetings and performance assessment;

c) Roles, functions, Duties, Responsibilities and liabilities of Independent Directors;

d) Directors Responsibility Statement forming part of Boards' Report;

e) Vigil Mechanism including policy formulation, disclosures, code for Independent Directors;

f) Risk Management Systems & framework;

g) Board Evaluation Process and Procedures;

The Director is also explained in detail the compliances required from him/her under the Companies Act, Listing Regulations and other relevant regulations and his/her affirmation taken with respect to the same. With a view to familiarize him/her with the Company's operations, the Chairman/Managing Director provides a one-to-one interaction on the organizational set up, the functioning of various divisions / departments, the Company's market share and the markets in which it operates, governance and internal control processes and other relevant information pertaining to the Company's business. The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him to effectively fulfil his role as a Director of the Company.

### **CONTINUAL FAMILIARIZATION MODULES**

The Company will follow a structured orientation programme for the Independent Directors to understand and get updated on the business and operations of the Company on a continuous basis. The familiarization module shall inter-alai, include regular inputs on strategy and business model of the Company, budgeting and planning, performance of various business verticals, statutory reporting including Internal Audit Reports, SEBI Audit Reports and compliance related certifications. The Company will also provide an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, facilities and risk management and such other areas. Independent Directors have the freedom to interact with the Company's management. Apart from this, they also have independent interactions with the Statutory Auditors, the Internal Auditors and external advisors appointed from time to time. Further, they meet regularly without the presence of any management personnel and their meetings are conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

\*\*\*\*\*