



SONI MEDICARE LIMITED

CIN: L51397RJ1988PLC004569

REGD. OFFICE: 38, KANOTA BAGH, JAWAHAR LAL NEHRU MARG, JAIPUR

PHONE NO: 0141-2571122 WEBSITE: www.sonihospitals.com

EMAIL ID: cs@sonihospitals.com

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

The terms of the Appointment, which shall be subject to the applicable Corporate Laws and the Articles of Association of the Company, are set out below.

Independence:

The Board of the Company has, based on the Statement of Independence given by the Director(s), determined them to be independent in accordance with the provisions Section 149(6) of the Companies Act, 2013 read with Clause 49 of the Listing Agreement set out in Annexure A, and the Director(s) will be Identified as such in the annual report and other documentation. If circumstances change and the Director(s) believes it may not be possible for them to retain their independence, they shall bring the same to the notice of the Company as soon as practicable.

Time Commitment:

By accepting the Appointment, the Director(s) confirms that they will be in a position to allocate sufficient time to meet the expectations of their role.

The time commitment required to fulfill the role of a Non-Executive Director will vary from year to year and will depend on a range of factors, in particular the extent of their involvement in Board Committees. They are expected to make themselves available for all regular and emergency Board meetings, the AGM, the Committee Meetings (in case of membership) and an annual Board strategy session.

Role:

The Board as a whole is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. As a Non-Executive Director, the Director(s)

has the same general legal responsibilities to the Company as any other Director.

The broad role of a Non-Executive Director may be expected to include strategy, Company performance, control of risk, executive remuneration and leading the process for senior appointments, including succession planning.

In their role as non-executive director they will be required to:

1. Constructively challenge and help develop proposals on strategy;
2. Scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
3. Satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
4. Determine appropriate levels of remuneration of executive directors and have a prime role in appointing and, where necessary, removing executive directors, and in succession planning;
5. Devote time to developing and refreshing their knowledge and skills;
6. Uphold high standards of integrity and probity and support the Board in instilling the appropriate culture, values and behaviors in the boardroom and beyond;
7. Insist on receiving high-quality information sufficiently in advance of board meetings; and
8. Take into account the views of shareholders and other stakeholders where appropriate.

The Director(s) will be required to exercise relevant powers under, and abide by, the Company's articles of association.

Code for Independent Directors:

The Director(s) shall adhere to the Code for Independent Directors as detailed in Schedule IV of the Companies Act, 2013 which is attached as Annexure B.

Sitting Fees:

The Director(s) will be paid Sitting Fees for attending the Board and the Committee Meetings, as may be determined by the Board of Directors.

Non-Executive Directors Remuneration:

The Director(s) will be paid Commission in terms of Section 197 of the Companies Act, 2013, as may be determined by the Board of Directors.

Reimbursement of Expenses:

The Company will reimburse the Director(s) for all reasonable out of pocket expenses necessarily incurred in carrying out their duties in accordance with the Company's expense policy as amended from time to time (a copy of which will be made available on request). The Director(s) would be required to submit any details of expenses together with appropriate receipts so incurred to the Company Secretary.

External Advice:

In order to enable the Director(s) to carry out the duties of their office, they will after consultation with the Chairman if that is practicable (and, if appropriate, jointly with any other Non-Executive Directors whose interests are the same as theirs) be entitled to seek external independent advice at the Company's expense.

Insurance:

The Company will maintain appropriate directors' and officers' (D&O) liability insurance (including ensuring that premiums are properly paid) for the Director(s) benefit.

Other Directorships and Business Interests:

The Company acknowledges that the Director(s) have business interests other than those of the Company and that they have declared any conflicts that are apparent at present. In the event that they become aware of any potential conflicts of interest, these should be disclosed to the Chairman and the Company Secretary as soon as they become apparent. The Director(s) are permitted to accept other Directorships provided that they are able to devote to their role as a Non-Executive Director of the Company.

The Director(s) are obligated to disclose any direct or indirect interest which they may have in any matter being considered at a board meeting or committee meeting and, save as permitted under the Articles of Association, they will not vote on any resolution of the Board, or of one of its committees, on any matter where they have any direct or indirect interest.

Review:

The performance of individual Directors and the whole Board and its committees is evaluated annually. If, in the interim, there are any matters arising in connection with their role as a Non-Executive Director which cause them concern, they should discuss them with the Chairman or Company Secretary as soon as is appropriate.

Training:

On an ongoing basis, and further to the annual evaluation process, we will make arrangements for the Director(s) to develop and refresh their skills and knowledge in areas which we mutually identify as being likely to be required, or of benefit to them, in carrying out their duties effectively. The Director(s) should endeavor to make themselves available for any relevant training sessions which may be organised for the Board.

Changes in Personal Details:

The Director(s) shall advise the Company Secretary promptly of any change in address or other personal contact details.

Return of Property:

Upon termination of the Director(s) appointment with the Company (for whatever cause), they shall deliver to the Company all documents, records, papers or other company property which may be in their possession or under their control, and which relate in any way to the business affairs of the Company, and they shall not retain any copies thereof.

Code of Conduct:

During the Appointment, the Director(s) are required to comply with the Code of Conduct as approved by the Company under Clause 49 of the Listing Agreement and such other requirements as the Board of Directors may from time to time specify.

Employee Share dealing Code:

During the Appointment, the Director(s) are required to comply with the Employee Share dealing Code as approved by the Company under SEBI (Prohibition of Insider Trading) Regulations 1992 and such other applicable laws and statutes along with such other requirements as the Board of Directors may from time to time specify.

Membership of Committees:

In the event that the Director(s) are asked to serve on one or more of the Board committees, the same will be covered in a separate communication setting out the relevant committee's terms of reference and any specific responsibilities.

Publication of this Communication:

In line with Schedule IV of the Companies Act, 2013, the Company will make this Letter public

and will also arrange for it to be on display at the Company's Annual General Meeting and on the Company website <https://www.sonihospitals.com/>.

Rights of Third Parties:

No person other than the Director(s) and the Company shall have any rights under this letter and the terms of this letter shall not be enforceable by any person other than the Director(s) and the Company.

Termination and Resignation:

Notwithstanding the other provisions of this Letter, the Appointment may be terminated at any time in accordance with the provisions of the Articles of Association of the Company or the provisions for the removal of directors under the Companies Act 2013.

Upon termination or upon the Director(s) resignation for any reason, they will not be entitled to any damages for loss of office and no fee will be payable to them in respect of any unexpired portion of the term of the Appointment.

Confidentiality:

The Director(s) acknowledges that all information acquired during their appointment is confidential to the Company and should not be released, communicated, nor disclosed either during their appointment or following termination (by whatever means), to third parties without my prior clearance.

This restriction shall cease to apply to any confidential information which may (other than by reason of their breach) become available to the public generally.

The Director(s) acknowledges the need to hold and retain company information (in whatever format they may receive it) under appropriately secure conditions.

General:

This Letter and any non-contractual obligations arising out of or in connection with this Letter are governed by, and shall be construed in accordance with, the laws of India, and the parties agree to submit to the exclusive jurisdiction of the courts of Bangalore, Karnataka.

Annexure A

Definition of Independent Director in terms of

Companies Act, 2013

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;
 - (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;
- b) 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;
- c) 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;
- d) who, neither himself nor any of his relatives—
 - (i) holds or has held the position of 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
- e) is a Chief Executive or director, by whatever name called, of any nonprofit 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 may be prescribed.

Definition of Independent Director in terms of Clause 49 of the Listing Agreement

- i. 'Independent director' shall mean a non-executive director of the company who:

- a. apart from receiving director's remuneration, does not have any material pecuniary relationships or transactions with the company, its promoters, its directors, its senior management or its holding company, its subsidiaries and associates which may affect independence of the director;
- b. is not related to promoters or persons occupying management positions at the board level or at one level below the board;
- c. has not been an executive of the company in the immediately preceding three financial years;
- d. is not a partner or an executive or was not partner or an executive during the preceding three years, of any of the following:
 - i. the statutory audit firm or the internal audit firm that is associated with the company, and
 - ii. the legal firm(s) and consulting firm(s) that have a material association with the company.
- e. is not a material supplier, service provider or customer or a lessor or lessee of the company, which may affect independence of the director;
- f. is not a substantial shareholder of the company i.e. owning two percent or more of the block of voting shares.
- g. is not less than 21 years of age

Explanation

For the purposes of the sub-clause (iii):

- a. Associate shall mean a company which is an "associate" as defined in Accounting Standard (AS) 23, "Accounting for Investments in Associates in Consolidated Financial Statements", issued by the Institute of Chartered Accountants of India.
- b. "Senior management" shall mean personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the executive directors, including all functional heads.
- c. "Relative" shall mean "relative" as defined in section 2(41) and section 6 read with Schedule IA of the Companies Act, 1956.
- d. Nominee directors appointed by an institution which has invested in or lent to the company shall be deemed to be independent directors.

Explanation:

"Institution' for this purpose means a public financial institution as defined in Section 4A of the Companies Act, 1956 or a "corresponding new bank" as defined in section 2(d) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 or the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 [both Acts]."

Annexure B

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.

Guidelines of professional conduct:

An independent director shall:

- uphold ethical standards of integrity and probity;
- act objectively and constructively while exercising his duties;
- exercise his responsibilities in a bona fide manner in the interest of the company;
- devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 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;
- 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;
- refrain from any action that would lead to loss of his independence;
- where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- assist the company in implementing the best corporate governance practices.

Role and functions:

The independent directors shall:

- 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;
- bring an objective view in the evaluation of the performance of board and management;
- scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

- satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- safeguard the interests of all stakeholders, particularly the minority shareholders;
- balance the conflicting interest of the stakeholders;
- 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;
- moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

Duties

The independent directors shall:

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 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;
- strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- strive to attend the general meetings of the company;
- 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;
- keep themselves well informed about the company and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 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;
- 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;
- report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

- acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 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.

Manner of appointment:

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.

The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.

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 fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management. The appointment of independent directors shall be formalised through a letter of appointment, which shall set out:

- the term of appointment;
- 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;
- the fiduciary duties that come with such an appointment along with accompanying liabilities;
- provision for Directors and Officers (D and O) insurance, if any;
- the Code of Business Ethics that the company expects its directors and employees to follow;
- the list of actions that a director should not do while functioning as such in the company; and
- the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

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.

The terms and conditions of appointment of independent directors shall also be posted on the company's website.

Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

Resignation or removal:

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.

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 3 months or the next Board Meeting whichever is earlier, from the date of such resignation or removal, as the case may be.

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.

Separate meetings:

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;

All the independent directors of the company shall strive to be present at such meeting; The meeting shall:

- review the performance of non-independent directors and the Board as a whole;
- review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- 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.

Evaluation mechanism:

The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

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.