



Date:

\_\_\_\_\_ (name of director)

\_\_\_\_\_ (address)

Dear Sir

**Re: Your appointment as an Independent Director of Wockhardt Hospitals Limited**

We are pleased to inform you that at the Meeting of the Board of Directors of the Company held on 23<sup>rd</sup> March, 2015, Directors of the Company have approved your appointment as an Independent Director of the Company to hold office for a term of five consecutive years from 23<sup>rd</sup> March 2015 to 22<sup>nd</sup> March, 2020.

This letter sets out the terms of your appointment as an Independent Director. The terms of your appointment, as set out in this letter, are subject to the provisions of the (i) applicable laws, including Companies Act, 2013 (as amended from time to time) and (ii) Articles of Association of the Company ("AOA").

**A. Term**

Your current appointment is for a term of five consecutive years from 23<sup>rd</sup> March 2015 to 22<sup>nd</sup> March, 2020. As an Independent Director you will not be liable to retire by rotation. Your re-appointment as an Independent Director shall be subject to the provisions of Companies Act 2013.

**B. Committees**

The Board of Directors may, if deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that may be set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations.

**C. Code of Conduct and Business Ethics**

You shall abide by the Wockhardt Hospitals Limited Code of Conduct and Business Ethics for Directors and Senior Management as set out separately in **Annexure-1** hereto.

**D. Role, Duties and Responsibilities**

You shall abide by the guidelines of professional conduct, role, function and duties as an Independent Director provided in Schedule IV of the Companies Act, 2013, as set out at **Annexure-2** hereto.

As member of the Board you along with the other directors will be collectively responsible for meeting the objectives of the Board.

## **E. Fiduciary Duties and accompanying liabilities**

There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- I. You shall act in accordance with the Company's Articles of Association.
- II. You 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.
- III. You shall discharge your duties with due and reasonable care, skill and diligence.
- IV. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- V. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- VI. You shall not assign your office as Director and any assignments so made shall be void.

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 Process, and with his consent or connivance or where he had not acted diligently.

## **F. Time Commitment and Expectations**

Considering the nature of the role of a director, it is difficult for a company to lay down specific parameters on time commitment. You agree to devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as an Independent Director.

As an Independent Director, you are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance.

## **G. Remuneration**

The remuneration for Independent Director will be fixed by the Board & will be as per the provisions of Companies Act, 2013.

## **H. Insurance**

At present, the Company does not have D & O insurance.

## **I. Disclosures and Miscellaneous**

1. During your tenure as an Independent Director, you will have to submit a declaration at the beginning of every Financial Year under Section 149 (7) of the Companies Act, 2013("Act") stating that you meet the criteria of Independence.
2. So long as you are an Independent Director of the Company, the number of companies in which you hold office as a Director or a chairman or committee member will not exceed the limit stipulated under the Act.
3. So long as you are an Independent Director of the Company, you will ensure that you do not get disqualified to act as a Director pursuant to the provisions of Section 164 of the Act.
4. You will ensure compliance with other provisions of the Act as applicable to you as an Independent Director.
5. This letter represents the entire understanding, and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between yourself and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.
6. No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.

We are confident that the Board and the Company will benefit immensely from your rich experience and we are eager to have you as an integral part of the growth of our Company. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

We thank you for your continued support and commitment to the Company.

Yours Sincerely,

**For WOCKHARDT HOSPITALS LIMITED**

**DR. H F KHORAKIWALA  
DIRECTOR**

Encl: A/a

**WOCKHARDT HOSPITALS LIMITED**  
**CODE OF BUSINESS CONDUCT AND ETHICS**  
**FOR**  
**THE MEMBERS OF THE BOARD OF DIRECTORS**  
**AND**  
**SENIOR MANAGEMENT**

***INTRODUCTION***

The Board of Directors of Wockhardt Hospitals has adopted the following Code of Business Conduct and Ethics (the "Code") for directors and senior management (Functional Heads) of the Company. This Code is intended to focus the Board, each director and each of the Senior Management personnel on areas of ethical risk, provide guidance to help them recognise and deal with ethical issues, provide mechanism to report unethical conduct, and help foster a culture of honesty and accountability. Each director and Senior Management personnel must comply with the letter and spirit of this Code.

No Code or policy can anticipate every situation that may arise. Accordingly, this Code is intended to serve as a source of guiding principles for directors and Senior Management personnel. Directors and Senior Management Personnel are encouraged to bring questions about particular circumstances that may involve one or more of the provisions of this Code to the attention of the Chairman of the Board of Directors.

***CONFLICTS OF INTEREST***

A "conflict of interest" may exist whenever the interests of a director or Senior Management personnel conflict in any way (or even appear to conflict) with the interests of a Company. While our directors and Senior Management should be free to make personal investments and enjoy social relations and normal business courtesies, they must not have any interests that adversely influence the performance of their responsibilities. A conflict situation can arise when a director or Senior Management Personnel takes actions or has interests that may make it difficult to perform his or her Company responsibilities objectively. Conflicts of interest also may arise when a director or Senior Management Personnel, or a member of their family, receives improper personal benefits as a result of their position with a Company, whether received from that Company or a third party. Gifts above a "de minimis" value to, loans to, or guarantees of obligations of directors or Senior Management, or their respective family members may create conflicts of interest.

Although it is not always possible to avoid conflicts of interest, it is each Company's policy to prohibit such conflicts when possible. Conflicts of interest may not always be clear-cut, so if directors or Senior Management have a question, they are encouraged to consult with the Chairman of the Board or the Company Secretary. Any director or Senior Management personnel who becomes aware of a conflict or potential conflict should bring it to the attention of the Chairman of the Board or the Company Secretary.

If a director discloses his interest in other companies or entities under section 184 of the Companies Act, 2013, it shall be deemed to be sufficient compliance as regards to conflict of interest with the said companies or entities.

### ***CORPORATE OPPORTUNITIES***

Directors and Senior Management Personnel are prohibited from

- (a) taking for themselves personally, opportunities related to the Company's business
- (b) Using the Company's property, information, or position for personal gain
- (c) Competing with the Company for business opportunities

### ***COMPLIANCE WITH APPLICABLE LAWS***

Directors and Senior Management Personnel in their respective functions must abide by the laws, rules, and regulations of India and other countries, as well as the states, countries, cities, and other jurisdictions, applicable to either Company or its business.

### ***PROTECTION AND PROPER USE OF COMPANY ASSETS***

All directors and Senior Management Personnel should perform their duties in a manner that protects the Company's assets and ensures their efficient use. All Company assets should be used for legitimate business purposes.

### ***ACCOUNTING COMPLAINTS***

Directors or Senior Management Personnel who have concerns or complaints regarding accounting, internal accounting controls or auditing matters are encouraged to promptly submit those concerns or complaints to the Audit Committee of the Board or to the Company Secretary, who subject to its duties arising under applicable law, regulations, and legal proceedings, will treat such submissions confidentially.

## ***CONFIDENTIALITY***

Directors and Senior Management Personnel should maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company that comes to them, from whatever source, in their capacity as director or Senior Management personnel, except when disclosure is authorised or legally mandated.

For purpose of this Code, "confidential information" includes all non-public information relating to the Company..

## ***AMENDMENT, MODIFICATION AND WAIVER***

This Code may be amended, modified or waived by the Board of Directors. As a general policy, the Board of Directors will not grant waivers to the Code.

## **Annexure 2**

### **Guidelines of professional conduct, Role, Function and Duties as an Independent Director (As provided in Schedule IV of the Companies Act, 2013)**

#### **Guidelines for Professional conduct:**

1. To uphold ethical standards of integrity and probity;
2. To act objectively and constructively while exercising your duties;
3. To exercise your responsibilities in a bona fide manner in the interest of the Company;
4. To devote sufficient time and attention towards your professional obligations for informed and balanced decision making;
5. To not allow any extraneous considerations that will vitiate your 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. To not abuse their 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. To refrain from any action that would lead to loss of their independence;
8. Where circumstances arise which make an independent Director lose his independence, the independent Director must immediately inform the Board accordingly;
9. To assist the Company in implementing the best corporate governance practices.

#### **Role and functions:**

1. Assist 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 yourself on the integrity of financial information and that financial controls and 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.

**Duties:**

1. Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
2. Undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company.
3. 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.
4. Strive to attend all meetings of the Board including a Separate meeting of the independent director and of the Board committees of which you are a member.
5. Participate constructively and actively in the committees of the Board in which you are chairperson or member.
6. Strive to attend the general meetings of the Company.
7. Where you 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 your concerns are recorded in the minutes of the Board meeting.
8. Keep yourself well informed about the Company and the external environment in which it operates.
9. Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board.
10. Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same are in the interest of the Company.
11. 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.
12. Report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
13. Acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees.
14. 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.