



Astec LifeSciences Ltd.

January 30, 2020

Mr. R. R. Govindan
[Director Identification Number (DIN): 02148801]
904 Marathon Galaxy II, L.B.S. Road,
Mulund - West, Mumbai – 400 080,
Maharashtra, India

Sub.: Appointment as an “Independent Director”

We, **Astec LifeSciences Limited** (“**ASTEC**” or “**the Company**”), thank you for your willingness / consent to act as an “**Independent Director**” of **ASTEC** and confirmation that you meet the “**Independence**” criteria prescribed under Section 149(6) of the Companies Act, 2013 (“**the Act**”) and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”).

Based on your confirmation, we are pleased to inform you that upon the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, at its Meeting held on January 30, 2020, have appointed you as an “**Independent Director**” of the Company for a period of **5 (five) years, from January 30, 2020 upto January 29, 2025**, pursuant to Section 149, 152 and other applicable provisions of the Act and the Rules framed thereunder (“**the Rules**”), read with Schedule IV to the Act and the SEBI Listing Regulations. Your appointment is subject to approval of the Shareholders of the Company to be sought at the General Meeting.

This letter sets out the terms of your appointment as an “**Independent Director**”, which are as follow:-

1. Nature of Relationship with ASTEC:

Your relationship with the Company will be that of an office-holder (as an “**Independent Director**”) and not one of contract for employment in the Company.

You will not be an employee of the Company and this letter shall not constitute a contract of employment.

2. Provisions of the Act / Rules / the Articles of Association / SEBI Listing Regulations:

The terms of your appointment, as set out in this letter, are subject to and supplemented by the extant provisions of:-



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CIN : L99999MH1994PLC076236

- (a) Applicable laws, including the Act and the Rules;
- (b) Articles of Association of the Company; and
- (c) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

as may be amended / altered / varied / modified from time to time.

3. Time Commitment:

- i. As a Non-Executive, Independent Director you are expected to bring objectivity and Independence to the Board's discussions and 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.
- ii. The Meetings of the Board of Directors and of Committees thereof are ordinarily convened as per requirement of law and on need basis. You will be expected to attend the Board Meetings, in case you are appointed as a Member / Chairman of the Committee, the Committee Meetings and the General Meetings and to devote sufficient time, as required for you to discharge your duties effectively. Ordinarily, all Meetings are held in Mumbai.
- iii. By accepting this appointment, you confirm that you are in a position to allocate sufficient time to meet the expectations of your role to the satisfaction of the Board.

4. Term of Appointment:

Your appointment will be for a period of 5 (five) years, from January 30, 2020 upto January 29, 2025, subject to approval of the Shareholders, unless terminated earlier or extended, as per the provisions of this letter and/or the Act and/or the Rules and/or the Listing Regulations.

As an "Independent Director", you will not be liable to retire by rotation pursuant to Section 152(6) of the Act.

Your re-appointment at the end of the term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to approval of the Board of Directors and the Shareholders of the Company. Your re-appointment would be considered by the Board based on the outcome of your performance evaluation process and you continuing to meet the "independence" criteria.

5. Membership of Committees:

You will act as the Chairman or a Member of such Committees of the Board of Directors as may be constituted by the Board from time to time, appointing you as the Chairman or a Member. The terms of reference of the Committees shall be such as may be specified by the Board.



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The Board may, at any time, re-constitute the composition and/or revise the terms of reference of any / all of the Committees and any such change shall be promptly communicated to you.

6. Role, Duties & Responsibilities:

As Member of the Board of Directors, you, along with other Directors, shall be responsible for performing such responsibilities which are cast upon a Director under the Act and/or the Rules and/or SEBI Listing Regulations (as may be amended from time to time) and shall also be bound by the Memorandum and Articles of Association of the Company (as may be amended from time to time).

You will perform such 'Role and Functions' and 'Duties' and adhere to such 'Guidelines of Professional Conduct' as are set out in Schedule IV to the Act and the SEBI Listing Regulations. You shall, thus, abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act and the SEBI Listing Regulations. You shall also abide by the Code of Business Ethics, the Code of Conduct for Board of Directors and Senior Management Personnel, the Insider Trading – Code of Conduct of the Company and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

Your liabilities as an Independent Director shall be governed by the provisions of the applicable laws.

Further, there are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and *inter alia* 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 interests 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 interests of the Company/ Godrej Group or bring discredit to it. Any situation that creates a conflict of interest between personal interests and the Company and its stakeholders' interests, must be avoided at all costs.
- v. You shall not assign your office as Director and any assignment so made shall be void.

There are certain roles, functions, duties prescribed for all Independent Directors, which are listed in the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013 and . You shall abide by the said 'Code of Conduct for Independent Directors' as amended from time to time to the extent relevant and applicable to your role. The present code is annexed hereto as **Annexure-A**.



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7. **Remuneration in the form of Sitting Fees:**

As an "Independent Director", you will be paid sitting fees for attending the Meetings of the Board of Directors and the Committees thereof of which you are a Member, as may be decided by the Board from time to time.

Further, the Company may pay or reimburse to you such fair and reasonable expenditure (supported by the necessary supporting document/s), as may have been incurred by you for the Company, while performing your role as an "Independent Director".

8. **No Conflict of Interest:**

As an "Independent Director" of the Company, you will always act in the best interest of the Company and ensure that any other business or personal association which you may have, does not involve any conflict of interest with the operations of the Company and your role therein. You shall not participate in any business activity which might impede the application of your independent judgment in the best interest of the Company.

It is accepted and acknowledged that you may have business interests, memberships other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.

In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that you are independent, this should be disclosed to both the Chairman and the Secretary.

9. **Dealing in Shares:**

You are required to comply with the Company's Insider Trading Code of Conduct. This code inter alia prohibits the Directors from dealing in the Company's shares during the period when the trading window is closed. Further, Directors, being designated officers of the Company for the purpose of Insider Trading guidelines, are to pre-clear all trades (buy/sell) from the Compliance Officer of the Company, if the market value of trade is expected to exceed Rs.10 lakh per calendar quarter. You are also required to comply with the applicable SEBI (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time.

10. **Compliance with Laws:**

As an "Independent Director" of the Company, you will comply with all applicable laws and regulations of all the relevant regulatory and other authorities, as may be applicable to such



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Directors in their individual capacities.

11. Confidentiality:

As an "Independent Director" of the Company, you will safeguard the confidentiality of all information received by you by virtue of your position. All information acquired by you, during your tenure of directorship, should not be disclosed by you either during your tenure or thereafter, to third parties without prior clearance from the Chairman, unless specifically authorized by the Company or under any law for the time being in force or rules of any Stock Exchanges or regulatory body.

In the latter case, you would be suitably required to inform the Chairman about such disclosure of information. You shall neither disclose any information about the Company and / or its business(es) to the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors importers, other stakeholders or the public at large, nor shall use such information for your own purpose(s) or for any purpose(s) other than those of the Company. You should direct any media queries or approaches to the appropriate spokesperson within the Company. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

Your obligation of confidentiality shall survive termination or cessation of your directorship with the Company.

12. Performance Appraisal / Evaluation Process:

The evaluation of your performance as an "Independent Director" or the evaluation of performance of every other Director or of non-independent Directors or of the Board of Directors as a whole or Committees of the Board of Directors, shall be governed by the provisions of the Act, the Rules and the SEBI Listing Regulations. Your appointment and re-appointment on the Board shall be subject to the outcome of the yearly performance evaluation process.

13. Disclosures, Other Directorships & Business Interests:

During the term of your appointment, you will promptly notify / intimate the Company of the following:-

- (a) Any change in your directorships;
- (b) Any other disclosures and information as may be required under the applicable laws;
- (c) Any potential conflict of interest with your position as "Independent Director" of the Company, upon becoming aware of the same;
- (d) Declaration under Section 149(7) of the Act, upon any change in circumstances which may affect your status as an "Independent Director";
- (e) Acquiring any Shares of the Company, its holding, subsidiary or associate;
- (f) Any change in address or other contact and personal details provided to the Company.



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Further, it is expected that any interest you may have in any transaction or arrangement that the Company has entered into should be disclosed no later than when the transaction or arrangement comes up at a Board Meeting so that the Minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

Also, you are expected to give a confirmation to the Company, that you are not debarred from accessing the capital markets and / or restrained from holding the position of Director in any listed Company by virtue of any order of the Securities and Exchange Board of India or any other such authority. In case of any deviation from the above declaration, you are expected to intimate the Company forthwith.

14. Resignation / Termination / Cessation:

- a. The provisions relating to your resignation / termination / cessation of directorship shall be as per the Act, the Rules and the SEBI Listing Regulations.
- b. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice to the Board.
- c. Continuation of your appointment is contingent on your getting re-elected by the Shareholders in accordance with provisions of the Articles of Association of the Company, the Act, the Rules and/or the SEBI Listing Regulations, from time to time in force. You will not be entitled to any compensation if the Shareholders do not re-elect you at any time.

15. Miscellaneous:

- This letter represents the entire understanding, and constitutes the whole agreement, in relation to your appointment and supersedes any previous understanding / agreement between yourself and the Company with respect thereto.
- No waiver or amendment or modification of this letter (except as mandated by any applicable law) shall be valid unless made in writing and signed by you and the Company.
- In case of any inconsistency between the provisions of this letter and the provisions of the Act and/or the Rules and/or the SEBI Listing Regulations, the provisions of the Act and/or the Rules and/or the SEBI Listing Regulations shall prevail.

16. Acceptance of Appointment:

We are confident that the Board and the Company will benefit immensely from your rich experience and we are looking forward 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



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acceptance by signing and returning the duplicate copy of this letter.

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

Yours faithfully,

For Astec LifeSciences Limited

Full
Sign

N. B. Godrej
N. B. Godrej
Chairman



Encl.: As above

Schedule IV of Companies Act, 2013
[See section 149(8) of the Companies Act, 2013]

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 / her duties;
- 3) exercise his / her 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 / her 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 / her 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) 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



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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



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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 formalized 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 3 (three) months 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 financial 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;



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- 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.



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