

Date: 12<sup>th</sup> September 2014

Dr. Sanjaya Baru  
D-44, IIIrd Floor  
Panchsheel Enclave  
New Delhi-110 017

**Sub: Appointment as an Independent Director of Artemis Medicare Services Limited (the "Company")**

Dear Sir,

On behalf of the Board of Directors of the Company, I am pleased to inform you that the Members of the Company at the Annual General Meeting of the Company held on Friday, September 12, 2014 approved your appointment as an Independent Director of the Company to hold office for a term up to five consecutive years, commencing from September 12, 2014 to September 11, 2019 ("Appointment").

#### **Appointment**

1. In compliance with the provisions of section 149(13) of the Companies Act, 2013 and rules framed thereunder (the "Companies Act"), your directorship will not be subject to retirement by rotation.
2. The Appointment will be subject to applicable laws including the Companies Act and the Company's Articles of Association.
3. In the event you propose to resign as an Independent Director of the Company, request you to give the Company reasonable notice of your intention to resign so that the Company can plan for succession of skills and experience on the Board. In addition, the Appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or applicable law including on failure to meet the parameters of independence as defined in section 149(6) or on the occurrence of any event as defined in section 167 of the Companies Act. Upon such termination or resignation for any reason, you shall not be entitled to any damages for loss of office and no fee will be payable to you in respect of any unexpired portion of the term of the Appointment.
4. You will be identified as an Independent Director in the annual report and other documentation.

#### **Committee Membership**

5. The Board of Directors of the Company have constituted / re-constituted certain Committees in terms of the decisions at previous Board Meetings including Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee as mandated under the Companies Act.
6. The Board of Directors may invite you to join any one or more of the Committees as mentioned above as a Member or Chairman/ Chairperson of such Committee(s) of the Board. The Board may also invite you to join any other Committee which the Board may constitute in the future. Your appointment as a Member/ Chairman/ Chairperson of any Committee of the Board, whether existing or in the future shall be subject to the applicable regulations and laws under the Companies Act.
7. As an Independent Director you will participate in the meeting of the Independent Directors separately without the presence of Non-Independent Directors and Members of the Management.



#### **Artemis Medicare Services Limited**

Artemis Health Institute, Sector 51, Gurgaon 122 001 Haryana. Ph.: +91-124-6767999, Fax: +91-124-6767701 Emergency: +91-124-6767000  
Artemis Hospital, Plot No. 14, Sector 20, Dwarka 110075, Ph.: +91-11-71111000, Fax: +91-11-71111002 Emergency: +91-11-71111011  
Corporate Identity No.: U85110DL2004PLC126414 | Email: info@artemishealthsciences.com | Website: www.artemishospitals.com

Registered Office : 414/1, 4th Floor, DDA Commercial Complex, District Centre, Janak Puri, New Delhi-110 058

TIN: 06461826988, SERVICE TAX: AAFC A0130MST001, TAN No.: DELA16048E, PAN: AAFC A0130M



First hospital in Gurgaon to be  
JCI & NABH accredited.

### **Status of Appointment**

8. You will not be an employee of the Company and this letter shall not constitute a contract of employment.
9. In compliance with the Companies Act, you will not be entitled to any stock option offered by the company.

### **Time Commitment and expectation from the Board**

10. As an Independent Director on the Board you are expected to bring 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, risk management and ensuring the highest standards of financial probity and corporate governance.
11. Generally, in a particular financial year, the Board meets 5 times—once in each quarter and once at the time of Annual General Meeting (AGM). The Audit Committee also meets at least 4 times in a year along with the Board Meetings. The General Meeting is held in New Delhi and the Board Meetings and Committee Meetings are generally held at Corporate Office in Gurgaon. The Committee meetings are generally scheduled before the Board Meetings. However, the Committees can meet as and when necessary in terms of the respective Charter of each Committee. You are expected to attend each and every Board Meeting, Committee Meeting (as applicable) and the AGM of the Company during your tenure as an Independent Director on the Board. The Schedule of Meetings shall be communicated to you well in advance including any change in day, date, time and venue thereof to make it convenient for you to attend the meetings.
12. By accepting the Appointment, you confirm that you are able to allocate sufficient time to meet the expectation from you by the Board and you will be able to discharge your roles and responsibilities to the satisfaction of the Board.

### **Role and Functions**

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

### **Liability**

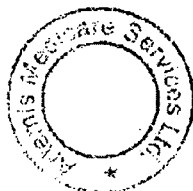
14. Your position as an Independent Director will also include the accompanying liabilities/ duties which are associated with such position as set out under Section 166 of the Companies Act and other relevant provisions of the Companies Act.

### **Training**

15. The Company shall provide you suitable training to familiarize you with the Company, your role, duties, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

### **Re-appointment**

16. As required under the Companies Act, your re-appointment shall be on the basis of report of performance evaluation and will be subject to applicable laws including the Companies Act and the Company's Articles of Association and any necessary resolution(s) of the Board and the Members.



### **Fees and Expenses**

17. You will be paid a sitting fee of Rs. 20,000/- (Rupee Twenty Thousand only) per meeting of Board and Rs. 10,000/- (Rupee Ten Thousand only) per meeting of the Committees, or as may be amended from time to time, and as may be approved by the Board and the Members, if required. We will also reimburse your travel & incidental expenses incurred, if any.

### **Conflict of interest / Disclosure of interest**

18. The Company acknowledges that being an Independent Director on the Board of the Company you may have business interest other than that of the Company. As a condition of your appointment commencing from September 12, 2014 you will be required to disclose your other directorship, appointments, interest, etc. to the Board in writing in the prescribed format and also keep the Board informed about changes, if any, immediately after the change is made effective.
19. As an Independent Director, you will be liable to disclose your interest in any contracts or arrangements with any company, firm, association or individual where you are interested as a Director or a relative or partner or in any other capacity. Such disclosure is necessary to ensure that the Company complies with applicable provisions of Companies Act. In addition to the above, you are required to disclose to the Board of Directors your appointment, removal or cessations as Director in other companies. You are also required to disclose your Committee Membership in other companies.
20. You will be required to maintain your Directorship, Committee Membership, Chairmanship of other companies within the maximum permissible limit under the Companies Act. You will also be required to submit your Annual Declarations in the prescribed format of the Companies Act to the Board of Directors of the Company so that the same can form part of the Board Meeting Minutes. The Company Secretary of the Company shall assist you for this purpose.

### **Code of Conduct**

21. During the Appointment, you will be required to comply with any relevant regulations as may be issued by SEBI, including any model code of conduct for directors, Schedule IV of Companies Act and Company's code of conduct applicable to the Directors and members of senior management and such other requirements as the Board of Directors may from time to time specify.

### **Confidentiality**

22. Upon accepting this Appointment, you will need to apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the Appointment or at any time after its termination) any confidential information concerning the Company and any Group Companies with which you come into contact with by virtue of your position as an Independent Director of the Company.
23. Your attention is drawn to the statutory requirements as to the disclosure of price-sensitive information. Consequently, please avoid making any statements that might risk a breach of these requirements without prior clearance from the Company.
24. On termination of the Appointment, you will need to deliver to the Company, all books, documents, papers and other property of or relating to the business of the Company which are in your possession, custody or power by virtue of your position as an Independent Director of the Company.

### **Insurance**

25. The Company will maintain appropriate directors' and officers' liability insurance (including ensuring that premiums are properly paid) for your benefit: (i) during the Appointment; and (ii) after the Appointment, in each case in respect of any matter occurring or alleged to have occurred while you are or were a director of the Company.



### Performance Review Process

26. As required under the Companies Act, your performance evaluation shall be done by the entire Board of Directors, excluding you and 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.

### General

27. This letter shall be open for inspection at the registered office of the Company by any member during normal business hours. Further, your terms and conditions of appointment shall also be posted on the Company's website.


28. This letter is governed by the laws of India and any dispute arising out of this Appointment shall be subject to the exclusive jurisdiction of the Courts of India.

29. Please confirm your agreement to the above by signing and returning to me the enclosed duplicate of this letter.

Thanking you,

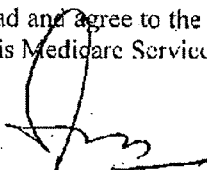
Yours sincerely,

For Artemis Medicare Services Limited

  
(Onkar S. Kanwar)  
Chairman

Encl: a/a

I have read and agree to the above terms and conditions regarding my appointment as an Independent Director of Artemis Medicare Services Limited

  
(Dr. Sanjaya Baru)  
(DIN: 05344208)

Date: 12/09/2014

Annexure A

SCHEDULE IV

[See section 149(8)]

**CODE FOR INDEPENDENT DIRECTORS**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment 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 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.

**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) scrutinise 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;~~  
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.



### 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 expert 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 fulfils the conditions 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 formalised 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 a period of not more than one hundred and eighty days 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 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;
  - 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.

