AstraZeneca Pharma India Limited

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTOR

A. Preliminary

1. You shall submit a declaration in the beginning of every financial year under Section 149 (7) of the Act during your tenure stating that you meet the criteria of independence. You shall promptly intimate to the Board of Directors if you are not in a position to meet any of the criteria for continuing as an Independence Director.

2. So long as you are an Independent Director of the Company, the number of companies in which you can hold office as a director or as a member or the chairman of the committee shall not exceed the limit stipulated under the Act and the listing agreement which is attached as **Exhibit A**.

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. The list of disqualifications prescribed under Section 164 of the Act is attached as **Exhibit B**.

4. You will ensure compliance with other provisions of the Act and the listing agreement as applicable to you as an Independent Director.

B. Term of your appointment:

_____ years from (i.e., from _____ to _____) subject to the provisions of Section 149 of the Companies Act, 2013.

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

Guidelines for Professional conduct:

1. Uphold ethical standards of integrity and probity;

2. Act objectively and constructively while exercising the duties;

3. Exercise the responsibilities in a bona fide manner in the interest of the Company;

4. Devote sufficient time and attention to the professional obligations for informed and balanced decision making;

5. Not do anything that will influence the exercise of your objective independent judgment in the paramount interest of the Company as a whole;

6. Not abuse the 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 your independence;

8. Where circumstances arise which make you lose your independence, you shall immediately inform the Board accordingly;

9. 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 on the integrity of financial information and also satisfy that the 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 interests 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.

8. Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholders' interest.

Duties:

1. Undertake appropriate induction and regularly update and refresh the 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 including a separate meeting of the Independent Directors and of the Board committees of which you are a member.

4. Participate constructively and actively in the committees of the Board in which you are a chairperson or a member.

5. Strive to attend the general meetings of the Company.

6. 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.

7. Keep yourself 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 yourself 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 your 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 or any other inside information of clients which have been deliberated at the board/committee meeting, unless such disclosure is expressly approved by the Board or required by law.

D. Fiduciary duties:

As an Independent Director, you have certain fiduciary duties towards the stakeholders of the Company. The particulars of your fiduciary duties and liabilities in accordance with the provisions of the Act are given below:

1. You shall act in accordance with the Articles of Association of the Company.

2. 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, its employees, the community and for the protection of environment.

3. You shall exercise your duties with due and reasonable care, skill and diligence and also exercise independent judgment.

4. You shall not be involved 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.

5. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates.

6. You shall not assign your office and any assignment so made shall be void.

E. Directors & Officers (D & O) Liability Insurance:

The Company has taken Directors and Officers Liability Insurance Policy from ICICI Lombard which is currently in force and is valid till February 28, 2015, post which the Company shall renew the same. The policy, inter alia, protects the Directors and Officers against the claims arising from decisions and/or actions taken in the course of managing the business of the Company, subject to terms and conditions set out in the policy document.

F. Code of Business Ethics:

The Company has laid down a Code of Conduct ("Code") for the Board Members and Senior Management Personnel. The Code impresses upon Directors and Senior Management Personnel to uphold the interests of the Company and fulfill their fiduciary obligations. The Code further enjoins the Directors and Senior Management Personnel to act in accordance with the highest standards of honesty, integrity, fairness and good faith and due diligence in performing their duties.

G. Training:

Since you are already a director of the Company, you are familiar with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company operates its goals and expectations and long term

plans and objectives. The Company will, from time to time, organise training programs to keep you updated about the new developments in respect of the industry in which the Company operates.

H. Performance Evaluation:

Your performance evaluation as Independent Director shall be done by the entire Board of Directors (excluding yourself). Your reappointment or extension of term, if any, shall be on the basis of the report of performance evaluation by the Board of Directors.

I. List of actions not to be done while discharging your functions:

The illustrative list of actions as specified under the Act which should not be performed by you as an Independent Director while discharging your functions as such in the Company is given below:

1. Not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;

2. Not buy in the Company, or in its subsidiary or associate companies;

   (i) a right to call for delivery or make delivery at a specified price and within a specified time, of a specified number of shares or debentures; or

   (ii) a right, as you may elect, to call for delivery or to make delivery at a specified price and within a specified time, of a specified number of shares or debentures.

3. Not enter into insider trading of securities of the Company.

4. Not do anything which will lead to having an actual or potential conflict of interest with the Company. In case, such situation arises, you shall discuss the matter with the Chairman or the Company Secretary immediately.

5. Not achieve or attempt to achieve any undue gain or advantage for yourself or for your relatives, partners, or associates.

J. Miscellaneous:

You will have access to confidential information, whether or not the information is marked or designated as “confidential” or “proprietary”, relating to the Company and its business including legal, financial, technical, commercial, marketing and business related records, data, documents, reports, etc., client information, intellectual property rights (including trade secrets), (“**Confidential Information**”).

You shall use reasonable efforts to keep confidential and to not disclose to any third party, such Confidential Information.

If any Confidential Information is required to be disclosed by you in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure should be, to the extent possible, with the prior consent of the Board.

Exhibit A

Limits on number of Directorships as prescribed under Section 165 of Companies Act, 2013

A person cannot hold office as a director (including) alternate directorship:

- in more than **20 companies** (including both private and public companies) at same time.
- Maximum number of public companies (including private company which is a subsidiary or holding company of a public company) shall not exceed **10**.

Limits on number of Directorships as prescribed under Listing Agreement

- A person can act as an Independent Director of only 7 listed companies.

- If any person is serving as a whole time director of any listed company, he can act as an Independent Director of only 3 listed companies.

- An independent director can be a member of maximum 10 Board committees or act as Chairman of maximum 5 Board committees across all companies in which he is a director.

  For the purpose of reckoning the limit, only Chairmanship / membership of the Audit Committee and the Stakeholders' Relationship Committee shall be considered.

Exhibit B

Disqualifications for appointment as a Director prescribed under Section 164 of Companies Act, 2013

A person shall not be eligible for appointment as a director of a company, if such person:

a. is of unsound mind and stands so declared by a competent court;

b. is an undischarged insolvent;

c. has applied to be adjudicated as an insolvent and his application is pending;

d. has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence.

   Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;

e. an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force;

f. has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;

g. has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years;

h. has not obtained Director Identification Number;

i. is or has been a director of a company which has not filed financial statements or annual returns for any continuous period of three financial years;

j. is or has been a director of a company which has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more.

   Provided that if a person has been director of any such company as mentioned in (i) and (j) above, such person shall not be eligible to be appointed as director of that company or any other company for a period of 5 years from the date on which such company fails to do so.