TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

1. Introduction

Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the broad terms and conditions of appointment of Independent Directors on the Board of Dr Lalchandani Labs Limited ("the Company") are as follows.

The terms and conditions shall be subject to the applicable provisions of the Companies Act, SEBI LODR Regulations, Articles of Association of the Company and other applicable laws.

2. Appointment

1. The Independent Director shall be appointed by the shareholders of the Company based on the recommendation of the Nomination and Remuneration Committee (NRC) and approval of the Board of Directors.
2. The appointment shall be for a term of up to five (5) consecutive years and the Independent Director shall not be liable to retire by rotation.
3. The Independent Director shall be eligible for re-appointment for a second term of up to five (5) consecutive years subject to:
    - recommendation by the NRC
    - approval of the Board
    - approval of shareholders by special resolution.
4. The Independent Director shall comply with the criteria of independence prescribed under the Companies Act, 2013 and the SEBI LODR Regulations.

3. Role, Duties and Responsibilities

The Independent Director shall perform duties and responsibilities as provided under Schedule IV of the Companies Act, 2013 including but not limited to:

1. Upholding ethical standards of integrity and probity.
2. Acting objectively and constructively in the evaluation of management performance.
3. Safeguarding the interests of minority shareholders.
4. Ensuring integrity of financial information and risk management systems.
5. Monitoring the performance of the Board and management.
6. Reporting concerns about unethical behaviour, fraud or violation of Company policies.
7. Participating in Board committees as assigned.

Independent Directors shall also comply with obligations under Regulation 25 of SEBI LODR Regulations, including maintaining independence and participating in Board evaluations.

4. Board and Committee Participation

1. The Independent Director shall devote sufficient time to discharge his/her duties effectively.
2. The Independent Director shall attend:
    - Meetings of the Board
    - Meetings of Committees of which he/she is a member
    - General Meetings of the Company.
3. Independent Directors shall hold at least one meeting annually without the presence of non-independent directors and management.

5. Remuneration

1. Independent Directors shall be entitled to:
    - Sitting fees for attending Board and Committee meetings as approved by the Board.
    - Reimbursement of expenses incurred for participation in meetings.
2. Independent Directors may also receive profit-related commission as approved by shareholders.
3. Independent Directors shall not be entitled to stock options.

6. Code of Conduct

The Independent Director shall:

- Adhere to the Code of Conduct for Directors and Senior Management of the Company.
- Comply with the Code for Independent Directors under Schedule IV of the Companies Act, 2013.
- Comply with the Company's Code of Conduct for Prevention of Insider Trading.

7. Performance Evaluation

The performance of the Independent Director shall be evaluated annually by the Board based on the criteria determined by the Nomination and Remuneration Committee.

The evaluation shall consider:

- Participation in Board discussions
- Contribution to strategic decisions
- Governance oversight and compliance.

8. Confidentiality

The Independent Director shall maintain confidentiality of all information acquired during the tenure and shall not disclose such information unless required by law or approved by the Board.

9. Conflict of Interest

The Independent Director shall:

- Disclose any direct or indirect interest in matters placed before the Board.
- Abstain from participation in discussions where conflict of interest arises.

10. Resignation and Removal

1. The Independent Director may resign by giving written notice to the Company.
2. The Company may remove the Independent Director in accordance with the provisions of the Companies Act, 2013 and SEBI LODR Regulations.
3. Any vacancy arising shall be filled in accordance with applicable regulatory provisions.

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