



January 28, 2021

Mark D. McDade
2219 Fairview Avenue E, Apt 15
Seattle, WA 98102
USA

Dear Mr. McDade,

Sub: Appointment as Independent Director.

We are pleased to inform you that the Board of Directors has appointed you as Independent Director of the Company with effect from January 28, 2021, pursuant to the provisions of Sections 149, 152, read with Schedule IV to the Indian Companies Act, 2013 (Act) and other applicable provisions of the Act and Rules made thereunder (including any statutory modifications or re-enactments thereof for the time being in force) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) (including any amendments thereof for the time being in force), on the following terms and conditions: -

I) Period

Your appointment is subject to the approval of shareholders of the Company as also subject to the maximum permissible directorships that a person can hold pursuant to the provisions of the Act, Rules made thereunder and LODR. You will hold office till January 27, 2026.

II) Board Meetings

Board meeting dates are finalised in consultation with all Directors and meetings are held at least four times a year and the time-gap between two meetings is not more than four months.

III) Professional Conduct

As an Independent Director you shall: -

- a. uphold ethical standards of integrity and probity;
- b. act objectively and constructively while exercising your duties;
- c. exercise responsibilities in a bona fide manner in the interest of the Company;
- d. devote sufficient time and attention to your professional obligations for informed and balanced decision making;
- e. not allow any extraneous considerations that may 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;
- f. not abuse your position to the detriment of the Company or its shareholders or for gaining direct or indirect personal advantage or advantage for any associated person;
- g. refrain from any action that would lead to loss of your independence;
- h. if circumstances arise under which you may lose your independence, you will immediately inform the Board; and



-2-

- i. assist the Company in implementing the best corporate governance practices.

IV) Role and Functions

Your role and functions as an Independent Director shall comprise: -

- a. helping 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;
- b. bringing an objective view in the evaluation of the performance of board and management;
- c. scrutinizing the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d. satisfying yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- e. safeguarding the interests of all stakeholders, particularly the minority shareholders;
- f. balancing the conflicting interest of the stakeholders;
- g. determining 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; and
- h. moderating and arbitrating in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

V) Duties

As Independent Director you shall: -

- a. undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company;
- b. seek appropriate clarification/information and where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- c. strive to attend all meetings of the Board and its Committees of which you are a member;
- d. participate constructively and actively in the Committees of the Board in which you are a member;
- e. strive to attend the shareholders' meetings of the Company;
- f. 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;
- g. keep yourself well informed about the Company and the external environment in which it operates;
- h. not to unfairly obstruct the functioning of an otherwise proper Board or its Committees;
- i. 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;



-3-

- j. ascertain and ensure that the Company has an adequate and functional vigil mechanism and ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- k. report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy; and
- l. acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees.

VI) Codes of Conduct and Insider Trading

You are required to comply with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, as amended from time to time and the Code of Conduct (including any amendment thereof) adopted by the Company in this regard.

You are also required to affirm and abide by the Code for Independent Directors (including any amendment thereof) prescribed by Schedule IV of the Act and the Code of Conduct for Directors (including any amendment thereof) formulated by the Board pursuant to Regulation 17 of the LODR.

VII) Confidentiality

While discharging your duties, the Company, may from time to time, disclose/provide, in writing, orally, visually, electronically, etc. business, technical and/or other information/ data, viz. research, development, trade secrets or business affairs, which are confidential, non-public and/or proprietary in nature (Confidential Information). You shall hold Confidential Information learnt or received, with strict confidence and trust and shall not disclose or use it (except as authorised in writing by the Company or as required by law), for your own benefit or the benefit of any other person. You shall use the same degree to protect the Confidential Information as would do for your own proprietary and confidential information.

VIII) Conflict of Interest

Your holding of directorships of other organisations, shall not give rise to any conflicts of interest in relation to your appointment as an Independent Director of the Company. Should you become aware of any conflict or potential conflict during your appointment, you are expected to notify the same to the Board. Apart from the applicable law and good corporate governance practices, there are no other additional limitations. You shall disclose to the Board; any material interest you may have in any transaction or arrangement that the Company may enter into with any entity. Such interest should be disclosed by you immediately when such transaction or arrangement comes up at any meeting of Directors, so that your interest can be appropriately recorded in the minutes. As an Independent Director you shall not engage in any activity that is not expected from an Independent Director.

IX) Liability/Indemnity

The Company maintains a Directors insurance policy of USD 25 million to cover the personal liability of directors for claims made against them while serving on the Board/ Committees of the Company.



-4-

X) Disqualifications

The Company is at liberty to disengage your services earlier subject to compliance of relevant provisions of the Act, Rules made thereunder and the LODR.

XI) Fees and expenses

Pursuant to the provisions of Section 197 of the Act and Rule 4 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, you shall be paid sitting fees for attending meetings of the Board or Committees thereof, as may be decided by the Board.

In addition to sitting fees, you will be entitled to commission as may be decided by the Board within the limits approved by the shareholders pursuant to the provisions of Section 197 of the Act.

Payment of sitting fees and commission shall be subject to deduction of applicable withholding tax. The Company will provide you necessary certificate of tax deducted.

The Company shall reimburse your travelling and incidental expenses reasonably incurred by you for attending meetings in conjunction with the Company's rules and policies.

XII) Separate meetings

You along with fellow Independent Directors shall hold at least one meeting in a year, without the attendance of non-Independent Directors and members of the management. You shall strive to be present at such a meeting which shall: -

- a. review the performance of non-independent directors and the Board as a whole;
- b. review the performance of the Chairman, taking into account the views of executive directors and non-executive directors; and
- 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.

XIII) Mechanism for performance evaluation

Your evaluation shall be done by the entire Board of Directors, without your participation, which shall include your performance; fulfillment of the independence criteria as specified in the LODR and your independence from the management. Based on the report of performance evaluation, it shall be determined whether to extend or continue the term of your appointment as Independent Director.

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

This letter is being issued in compliance with the Act, Rules made thereunder and LODR as regards appointment of Independent Directors.



-5-

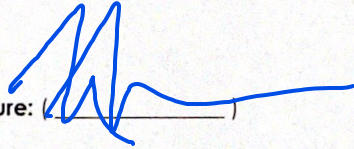
It is our pleasure to have you on the Board and we are confident that your association, expertise and advice will immensely benefit the Company and the Board.

Yours sincerely

For **LUPIN LIMITED**

MANJU D. GUPTA
CHAIRMAN
[DIN: 00209461]

I hereby acknowledge receipt of and accept the terms set out in this letter.

Signature: 

MARK D. MCDADE
INDEPENDENT DIRECTOR
(DIN: 0009037255)