



GlaxoSmithKline

6 August 2014

To

Ms. Sangeeta Talwar  
S-373, Greater Kailash  
Part II  
New Delhi 110 048

GlaxoSmithKline  
Consumer Healthcare Ltd.  
DLF Plaza Tower  
DLF City, Phase-1  
Gurgaon-122002  
(Haryana), India

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Dear Ms. Talwar,

Re: **Appointment Letter**

This Appointment letter is intended to delineate the understanding and arrangement between GlaxoSmithKline Consumer Healthcare Limited ("GSKCH/Company") and yourself to act as an Independent Director on the Board of GSKCH upon terms and conditions hereinafter contained and agreed to by you and GSKCH.

1. **Appointment & Terms**

You are hereby appointed as an Independent Director on the Board of GSKCH till the Annual General Meeting to be held in 2016, to render your expertise as per the following Code of Conduct and the duties and responsibilities laid down hereunder:

A. **Guidelines of professional conduct:**

As an independent director you shall comply with the guidelines of professional conduct as mentioned in Clause I of Schedule IV (Code for Independent Directors) and the same is also attached for your reference as 'Annexure A'.

B. **Role and functions:**

As an independent director your role and functions shall be in accordance with Clause II of Schedule IV (Code for Independent Directors) and the same is also attached for your reference as 'Annexure B'.

C. **Duties:**

As an independent director your duties shall be in accordance with Clause III of Schedule IV (Code for Independent Directors) and the same is also attached as 'Annexure C' for your reference.

Registered Office  
Patiala Road  
Nabha (Punjab)  
147 201

**D. Other Responsibilities and Functions of Independent Directors**

As an independent director your duties and functions shall also be in accordance with Listing Agreement and the same is also attached as 'Annexure D' for your reference.

**2. Services & Deliverables**

Broadly, in connection with provision of Services you:

- a. Shall attend at least one Board Meeting a year.
- b. Shall attend the meeting of Independent Directors scheduled to be held once a year, without the attendance of non-independent directors and members of management to discuss the following:
  - (i) Review the performance of non-independent directors and the Board as a whole in the meeting.
  - (ii) Review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors.
  - (iii) Assess the quality, quantity and timelines of flow of information between the Company's management and the Board that it is necessary for the Board to effectively and reasonably perform their duties.

**3. Remuneration**

In consideration of you acting as an Independent Director, GSKCH agrees to pay you as follows which is subject to deduction of all applicable taxes:

- a. Commission: Rs. 7,00,000/- (Rupees Seven Lakhs) per annum as Commission for the Financial Year 2014-15. The same shall be paid after the completion of the Financial Year.
- b. Sitting Fees:
  - (i) Board Meeting - Rs. 1,00,000/- per meeting
  - (ii) Audit Committee - Rs. 75,000/- per meeting
  - (iii) Other Committees - Rs. 25,000/- per meeting

The Sitting Fees shall be paid after the Meetings.

- c. Travel Cost / Out of pocket expenses incurred to attend the Board / Committee Meetings shall be reimbursed by the Company after the Meetings.

**4. Training of Independent Directors**

The company shall provide suitable training to independent directors to familiarize them with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., if the request from the Independent Director for the same has been received by the Company.

## **5. Re-Appointment**

The re-appointment shall be on the basis of report of performance evaluation done by the entire Board of Directors. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue your term of appointment.

## **6. Vacation / Termination / Resignation**

A. You shall vacate the office of Directorships in case :

- (i) You are declared an unsound mind by a competent court.
- (ii) You are an un-discharged insolvent.
- (iii) You have applied to be adjudicated as an insolvent and your application is pending.
- (iv) You have been convicted by a court of any offence , whether involving moral turpitude or otherwise, and sentences in respect thereof to imprisonment for not less than six months and period of five years has not elapsed from the date of expiry of the sentence.
- (v) An order disqualifying you for appointment as a Director has been passed by a court or Tribunal and the order is in force.
- (vi) You have not paid any calls in respect of any shares of the Company held by you, whether alone or jointly with others and six months have elapsed from the last day fixed for payment of the call.
- (vii) You have been convicted of an offence dealing with related party transactions under Section 188 at any time during the last preceding five years.
- (viii) You have not obtained the DIN number.
- (ix) You absent yourself from all meetings of the Board of Directors during a period of 12 months with or without seeking leave of absence.
- (x) You act in contravention of the provisions of Section 184 relating to entering into contracts or arrangements in which you are directly or indirectly interested.
- (xi) You fail to disclose your interest in any contract or arrangement in which you are directly or indirectly interested, in contravention of the provisions of Section 184.

B. You can render your resignation by giving a notice in writing to the Company and the Board of Directors. The resignation shall take effect from the date on which the notice is received by the Company or the date specified by you in the said notice, whichever is later.

C. You can also be removed as a Director for non performance which shall be determined by the Board of Directors as per the evaluation mechanism.

- D. In the event there is a conflict of interest, then you have to disclose the same and if the Board of Directors so determine, you may have to render your resignation from the Board.
- E. In the event of prior termination or expiry by efflux of time, the liability of GSKCH shall be limited to make payment of only the unpaid charges. In no event shall GSKCH be liable to pay any other charges, costs and expenses incurred other than those specified herein above and/or any claim for indirect/direct/consequential damages and any loss of profit arising out of such termination.

## **7. Representation & Warranty**

As an independent director of the Company, you hereby represent and warrant that:

- (a) You are a person of integrity and possess relevant expertise and experience.
- (b)
  - (i) You are or were not a promoter of the Company or its holding, subsidiary or associate company.
  - (ii) You are not related to promoters or directors of the Company or of its holding, subsidiary or associate company.
- (c) You do not have or had any pecuniary relationship with the Company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year.
- (d) None of my relatives have or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year.
- (e) Neither you nor any of your relatives-
  - (i) holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which you are proposed to be appointed.
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which you are proposed to be appointed, of:
    - 1. a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate company; or
    - 2. any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;

- (iii) holds together with your relatives two per cent or more of the total voting power of the Company; or
- (iv) is a Chief Executive or director, by whatever name called, of any non profit organisation that receives twenty-five percent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the Company; or
- (f) You have experience in the fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or any other disciplines related to the Company's business.
- (g) Shall at the first meeting of the Board in which you participates as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect your status as an independent director, give a declaration that you meets the criteria of independence as provided in Section 149(6).

#### **8. Intellectual Property Rights and Ownership**

All data, literature, and information in any form that is provided by GSKCH to you shall be considered proprietary to GSKCH, whether or not it is marked proprietary. For the duration of this Letter of Appointment and thereafter, proprietary data or information shall not be revealed or transferred by you to any other person, third party, company, or otherwise, without the prior written authorization of GSKCH. GSKCH does not relinquish any of its rights in the proprietary data by transference within the scope of this Letter of Appointment.

Upon request by GSKCH or on expiration or termination of this Letter of Appointment, whichever occurs first, you shall submit to GSKCH all proprietary data disclosed, obtained, generated, or otherwise supplied to you by GSKCH under and within the scope of this Letter of Appointment.

#### **9. Confidentiality**

That you shall keep confidential all information concerning GSKCH and shall not divulge or disclose the same to any person during the term of the Letter of Appointment other than as may be necessary for the purpose of performance of Services hereunder. Pursuant to termination you shall not disclose or divulge the same to any person whatsoever or use the same for business and gain and shall return all literature, brochures and any document you may possess to GSKCH.

#### **10. Compliance**

- a. That you hereby represent and warrant that there exists no conflict of interest acting as an Independent Director on the Board of the Company. You shall put your best endeavor to perform your roles, responsibilities hereunder and shall comply with and adhere to the standards of general business practices and ethics of conducting business and all laws as may be applicable. Any dispute arising out of or in relation to this Letter of Appointment shall be referred to the exclusive jurisdiction of Courts situated in Gurgaon to the exclusion of any other Courts elsewhere.

- b. You acknowledge having received and read GSKCH's 'Prevention of Corruption – Third Party Guidelines', which is enclosed as Appendix hereto and agree to perform your duties in accordance with the principles set out therein.
- c. You agree to comply fully at all times with all applicable laws and regulations, including but not limited to applicable anti-corruption laws.
- d. GSKCH shall be entitled to terminate this Appointment immediately on written notice to you, if you fail to perform your duties/obligations in accordance with this clause. You shall have no claim against GSKCH for compensation for any loss of whatever nature by virtue of termination under this clause and also waives any such right, which may be statutorily available to you.

**11. Insurance**

GSHCK hereby agrees to provide and cover you under its Directors and Office's Liability Insurance Policy.

**12. Invalidity**

In the case of any event under which any part or the whole of this Letter of Appointment is held to be invalid or unenforceable for any reason whatsoever, in such event the part rendered invalid or unenforceable shall not effect the remaining provisions herein contained.

**13. Liability**

As an Independent Director you shall be held liable in respect of such acts of omission or commission by a Company which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you had not acted diligently.

**14. Amendment**

This Letter of Appointment shall not be changed except by formal written amendments identified as such and signed by both parties.

**15. Disclosure**

The terms and conditions of this Letter of Appointment shall not be disclosed in any manner without GSKCH's written approval.


In confirmation of your agreement to the above terms and conditions please execute and deliver a counterpart hereof to GSKCH.

Yours faithfully,  
**For GlaxoSmithKline  
Consumer Healthcare Ltd.**



(Sonali Khanna)  
Company Secretary

**Accepted & Confirmed:**

Signature:   
Date: 06.08.2014

## **APPENDIX: PREVENTION OF CORRUPTION – THIRD PARTY GUIDELINES**

The GSK Anti-Bribery and Corruption Policy (ABAC Policy) requires compliance with the highest ethical standards and all anti-corruption laws applicable in the countries in which GSK (whether through a third party or otherwise) conducts business. The ABAC Policy requires all GSK employees and any third party acting for or on behalf of GSK to ensure that all dealings with third parties, both in the private and government sectors, are carried out in compliance with all relevant laws and regulations and with the standards of integrity required for all GSK business. GSK values integrity and transparency and has zero tolerance for corrupt activities of any kind, whether committed by GSK employees, officers, or third-parties acting for or on behalf of GSK.

**Corrupt Payments** – GSK employees and any third party acting for or on behalf of GSK, shall not, directly or indirectly, promise, authorise, ratify or offer to make or make any “payments” of “anything of value” (as defined in the glossary section) to any individual (or at the request of any individual) including a “government official” (as defined in the glossary section) for the improper purpose of influencing or inducing or as a reward for any act, omission or decision to secure an improper advantage or to improperly assist the company in obtaining or retaining business.

**Government Officials** – Although GSK’s policy prohibits payments by GSK or third parties acting for or on its behalf to any individual, private or public, as a “quid pro quo” for business, due to the existence of specific anticorruption laws in the countries where we operate, this policy is particularly applicable to “payments” of “anything of value” (as defined in the glossary section), or at the request of, “government officials” (as defined in the glossary section).

**Facilitating Payments** – For the avoidance of doubt, facilitating payments (otherwise known as “greasing payments” and defined as payments to an individual to secure or expedite the performance of a routine government action by government officials) are no exception to the general rule and therefore prohibited.

### **GLOSSARY**

The terms defined herein should be construed broadly to give effect to the letter and spirit of the ABAC Policy. GSK is committed to the highest ethical standards of business dealings and any acts that create the appearance of promising, offering, giving or authorising payments prohibited by this policy will not be tolerated.

**Anything of Value:** this term includes cash or cash equivalents, gifts, services, employment offers, loans, travel expenses, entertainment, political contributions, charitable donations, subsidies, per diem payments, sponsorships, honoraria or provision of any other asset, even if nominal in value.

**Payments:** this term refers to and includes any direct or indirect offers to pay, promises to pay, authorisations of or payments of anything of value.

**Government Official** shall mean:

- Any officer or employee of a government or any department, agency or instrument of a government;
- Any person acting in an official capacity for or on behalf of a government or any department, agency, or instrument of a government;
- Any officer or employee of a company or business owned in whole or part by a government;
- Any officer or employee of a public international organization such as WIPO, WCO or WHO;
- Any officer or employee of a political party or any person acting in an official capacity on behalf of a political party; and/or
- Any candidate for political office.

## **Annexure A**

### **Guidelines of professional conduct for Independent Directors**

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.



## **Annexure B**

### **Roles and functions of Independent Directors**

An Independent Director 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 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.

## **Annexure C**

### **Duties of Independent Directors**

An Independent Director 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 member;
- (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 behavior, 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.

## **Annexure D**

### **Other Responsibilities and Functions of Independent Directors as per Listing Agreement**

The Independent Directors shall:

- 1) Disclose the Board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Company.
- 2) Conduct themselves in such a manner so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision-making
- 3) Ensure the transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- 4) Monitor and manage the potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- 5) Ensure the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- 6) Oversee the process of disclosure and communications.
- 7) Provide the strategic guidance to the company, ensure effective monitoring of the management and should be accountable to the company and the shareholders.
- 8) Set a corporate culture and the values by which executives throughout a group will behave.
- 9) Act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and the shareholders.
- 10) Encourage continuing directors training to ensure that the Board members are kept up to date.
- 11) Ensure that the decisions which may affect different shareholder groups differently, the Board should treat all shareholders fairly.
- 12) Apply high ethical standards and also take into account the interests of stakeholders.
- 13) Exercise objective independent judgement on corporate affairs.
- 14) Consider and assign a sufficient number of non-executive Board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
- 15) Ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the company to excessive risk.

- 16) Ensure that the Board have the ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the company's focus.
- 17) Ensure that, when the committees of the Board are established, their mandate, composition and working procedures should be well defined and disclosed by the Board.
- 18) Ensure that the Board members should be able to commit themselves effectively to their responsibilities.
- 19) Ensure that in order to fulfill their responsibilities, Board members should have access to accurate, relevant and timely information.
- 20) Ensure that the Board and senior management should facilitate the Independent Directors to perform their role effectively as a Board member and also a member of a committee.