

## **THE TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS**

### **1. Appointment**

- (i) Appointment will be for an initial term of five years, unless ceased or terminated earlier, or extended, subject to the shareholder approval at the a general meeting of the company and provisions of this letter or applicable laws.
- (ii) Re-appointment, if any, at the end of the term/tenure shall be based on the recommendations of the Nomination and Remuneration Committee and subject to the approval of the Board of Directors (“Board”) based on the outcome of the performance evaluation process and continuance to meet the independence criteria for being an Independent Director and not being disqualified to be a Director.
- (iii) The Re-appointment will be subject to Special Resolution of shareholders and any other necessary approvals; further the Company is at liberty to disengage earlier subject to compliance of relevant provisions of the Companies Act, 2013 (‘Act’).
- (iv) Independent Directors will not be liable to retire by rotation.

### **2. Committees**

- (i) The Board, if it deems fit, may require Independent Director to be appointed as a member of one or more committee(s)/sub-committee(s) of the Board and may ask to chair one or more committees. Independent Director’s appointment on such committee(s)/sub-committees will be subject to the provisions of the Act, SEBI (LODR), Regulations, 2015 (‘Listing Regulations’) and any other applicable laws for the time being in force.
- (ii) The Board may reconstitute the composition of any/all committees, from time to time, and any such change shall be communicated to concerned Independent Director. In such an event Independent Director may be required to serve on other committees of the Board.

### **3. Familiarization program**

The company will provide suitable training to independent directors to familiarize Independent Directors 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.

### **4. Role, function, duties and responsibilities**

- A. Independent Director’s role and duties will be those normally required of a (Non-Executive) Independent Director under the Act, Listing Regulations. Independent Directors are required to adhere to the requirements with respect to Independent Directors professional conduct, role, functions and duties as prescribed under Code for Independent Directors in Schedule IV of the Act and under Listing Regulations, as amended from time to time. In addition, there are certain duties prescribed for all Directors, both Executive and Non-Executive,

which are fiduciary in nature and are to be exercised by all directors. Independent Directors are required to abide by the followings:

- (i) 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 interest of the Company.
  - (ii) will be responsible for providing guidance in the area of Independent Directors expertise in functioning and management of the Company.
  - (iii) shall be responsible for overseeing the ethical conduct of business and maintenance of high standards values of the Company.
  - (iv) shall discharge duties with due and reasonable care, skill and diligence
  - (v) shall act in accordance with the requirements under the Act; Listing Regulations as amended from time to time and other applicable provisions of any other statute.
  - (vi) shall not engage or involve in any activity having, or which may have, any conflicting interest, direct or indirect, with the Company.
  - (vii) shall not achieve or attempt to achieve any undue gain or advantage either to himself/herself or to his/her relatives, partners or associates while exercising official duties assigned by the Company.
- B. In addition to the above, role as an (Non-Executive) Independent Director shall inter alia include:
- (i) constructively participation (and where necessary, challenging/opposing) in any business proposal, strategy or decision;
  - (ii) independent scrutinization of the performance of management in meeting goals and objectives of the Company;
  - (iii) satisfying themselves on the integrity of any financial information and procedure and ensuring financial controls and systems of risk management are commensurate with the business of the Company;
  - (iv) critical examination whether the processes for accurate reporting of financial performance and position is strictly adhered by the Company; and
  - (v) Governance and compliance with the applicable legislation and regulations under review and the conformity Company practices to accepted norms.
- C. Independent Directors are expected to:
- (i) take decisions objectively and solely in the interests of the Company;
  - (ii) facilitate Company's adherence to high standards of ethics and corporate behavior;
  - (iii) guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
  - (iv) guide the Board in monitoring and managing potential conflicts of interest of Management, Board Members and Stakeholders, including misuse of corporate assets and abuse in related party transactions;

(v) guide the Board in ensuring 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.

D. As an Independent Director, along with other independent directors, it is required to adhere to the following provisions of Schedule IV of the Act:

- (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; 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.

## **5. Time Commitment**

Considering the nature of the role of a Director, it is difficult for a Company to lay down specific parameters on time commitment. Independent Directors agree to devote such time as is prudent and necessary for the proper performance of their roles, duties and responsibilities as an Independent Director.

## **6. Insurance**

The Company has taken a Directors' and officers' liability insurance policy and currently such policy is in force. Independent Directors being a director on the Board of the Company are covered under such policy.

## **7. Code of Conduct**

As an Independent Director of the Company, it is required for each Independent Director to comply with the Code of Conduct of the Company applicable to Board members and Code for Independent Director as per Schedule IV of the Act and any other directions issued by Securities and Exchange Board of India in relation to performance of duty as Independent Director. Notwithstanding the adherence to the Code of Conduct, Independent Directors must also observe the followings:

- will always act in the interest of the Company and ensure that any of their other business or personal association, does not create any conflict of interest with the operations of the Company and their role.
- will make endeavor to safeguard the confidentiality of all information received by the Company by virtue of position as independent director of the Company.

- Unless specifically authorized by the Company, Independent Directors shall not disclose Company's business information to the general public, particularly to the media, employees, shareholders, agents, franchises, dealers, distributors, exporters, importers etc. Independent Directors obligation of confidentiality shall survive upto termination or cessation of Directorship with the Company.
- shall also abide by both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended time to time and the Code of Conduct on prevention of insider trading policy of the Company, prohibiting disclosure or use of unpublished price sensitive information.
- shall not participate in any business activity which might impede the application of independent judgment, in best interest of the Company.

#### **8. Remuneration**

- (i) As an Independent Director, shall be paid sitting fees for attending the meetings of the Board and the committees of which are a member as may be determined by the Board from time to time.
- (ii) will be entitled to reimbursement of expenses on actual basis incurred by Independent Directors in connection with attending the Board meetings, Board Committee meetings, General meetings and in relation to the business of the Company.
- (iii) Pursuant to applicable law, Independent Directors will not be entitled to any stock options in the Company.
- (iv) The payment of remuneration shall be subject to applicable tax deduction at source.

#### **9. Performance Appraisal / Evaluation process**

As a member of the Board, Independent Directors performance as well as the performance of the entire Board and its committees shall be evaluated annually. Evaluation of each Director shall be done by all the other Directors. The Criteria for evaluation shall be determined by the Nomination and Remuneration Committee.

#### **10. Disclosure**

During the term, Independent Directors agree to promptly notify the Company of any change in Directorship, and provide such other disclosures and information as may be required under the applicable laws. Independent Directors also agree that upon becoming aware of any potential conflict of interest with position as Independent Director of the Company, shall promptly disclose the same to the chairman and the Company secretary.

During term, Independent Directors agree to promptly provide a declaration under Section 149(7) of the 2013 act, upon any change in circumstances which may affect Independent Directors status as an Independent Director.

## **11. Change of personal details**

During the term, Independent Directors shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

## **12. Termination**

Directorship as Independent Director on the Board of the Company shall terminate or cease in accordance with the provisions of the Act. Apart from the grounds of termination as specified in the Act, Directorship as Independent Director may also be terminated for violation of Code of Conduct of the Company as applicable to Non- Executive Directors.

Independent Directors may resign from the Directorship of the Company by giving a notice in writing to the Company. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by Independent Directors in the notice, whichever is later.

If at any stage during the term, there is any change that may affect status as an Independent Director as envisaged in Section 149(6) of the Act or Independent Directors fail to meet the criteria for "Independence" under provisions of Act, Listing Regulations as amended from time to time or any other applicable statute, Independent Directors agree to promptly put Independent Directors resignation to the Company with effect from the date of such change.

## **13. Co-operation**

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on Independent Directors part during his/her term/tenure, Independent Directors agree to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonable, requested by the Company or its counsel.

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