

## **TERMS OF APPOINTMENT FOR INDEPENDENT DIRECTORS**

{Pursuant to the provisions of Sections 149 of the Companies Act, 2013 read with Schedule –IV and the Rules made thereof and as amended from time to time}

The terms and conditions for the appointment of independent directors which are as follows:

### **1. Appointment**

- 1.1 In accordance with the provisions of the Companies Act, 2013 (the “Act”) and the Rules made there under read with Schedule IV to the Act, the appointment of Non-Executive Independent Director on the Board of Directors of Company may be made for a period of five consecutive years with effect. The appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013.
- 1.2 The term Independent Director should be construed as defined under the Act.
- 1.3 The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Act, as may be amended from time to time. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. The Company is at liberty to disengage the Independent Directors earlier subject to compliance of relevant provisions of the Act.

### **2. Committees**

The Board may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that it sets up in the future during the tenure of your office. Upon the appointment, the Independent Director will be provided with the appropriate committee charter which sets out the functions of that Committee.

### **3. Time Commitment**

The Independent Director, is expected to bring objectivity and independence of view to the Board’s discussions and to help provide the Board with effective leadership in relation to the Company’s strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance.

The Board may request the Independent Director from time to time for being appointed on one or more of the Committees or any other Committee as may be constituted from time to time. The mandate of the Committees shall be as decided by the Board from time to time. The Independent Director will be expected to attend Board meetings, Board Committee(s) meeting to which they may be appointed and Shareholders meetings and to devote such time to their duties, as appropriate for them to discharge their duties effectively. Ordinarily, all meetings are held at the registered office of the Company or such other place as decided by the Board of Directors.

#### **4. Role and Duties**

Independent directors have the same general legal responsibilities to the Company as that of any other director as provided under the Companies Act, 2013 and the rules thereunder. The Board, as a whole, is collectively responsible for ensuring the success of the Company by directing and supervising the Company's affairs. There are certain duties prescribed for all Directors, both Executive and Non- Executive, which are fiduciary in nature and are as mentioned in Annexure hereto. Apart from that the conduct of the Independent Director shall abide by the Code of Independent Directors as prescribed under the Schedule IV of the Companies Act, 2013, as may be amended from time to time.

#### **5. Status of Appointment and Remuneration**

The Independent Director will not be an employee of the Company and their appointment letter shall not constitute a contract of employment. The Independent Director will be paid sitting fees per meeting for attending meetings of the Board and committees of the Board, subject to deduction of applicable taxes. However, the annual remuneration and the sitting fees may be subject to change as may be approved by the Board and/ or in accordance with the limits as prescribed under the Act.

#### **6. Reimbursement of Expenses**

In addition to the remuneration described in paragraph 5, the Company will, for the period of their appointment, reimburse the travel, hotel and other incidental expenses

incurred by the Independent Director in connection with their attending the meetings of the Board and/ or Committees thereof.

## **7. Conflict of Interest**

- 7.1 It is accepted and acknowledged that the Independent Director may have business interests other than those of the Company. The Independent Director are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of their appointment and in the event of their further appointment and relinquishment as Director in other entities.
- 7.2 In the event, the Independent Director's circumstances seem likely to change which might give rise to a conflict of interest or there are circumstances that might lead the Board to revise its judgement that they are independent, such circumstances shall be disclosed to the Board who shall have the authority to take appropriate decision in this regard.

## **8. Confidentiality**

All information acquired during the appointment is confidential to the Company and should not be released, either during the appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or regulatory body. On reasonable request, the Independent Director shall surrender any documents and other materials made available to them by the Company.

## **9. Evaluation**

The Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis.

## **10. Independent Professional Advice**

There may be occasions when the Independent Director consider that they need professional advice in furtherance of their duties as a Director. They may consult independent advisors at the Company's expense subject to an advance intimation to the Company about such proposed consultation. The Company will reimburse any such cost incurred in accordance with the Company's policy.

## **11. Disclosure of Interest**

The Company is required to include in its Financial Statements a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record their interest appropriately. A general notice that they are interested in any contracts with a particular person, firm or company is acceptable.

## **12. Termination**

- a. The Independent Director may resign from their position at any time and should they wish to do so, they may serve a reasonable written notice on the Board.
- b. The appointment of the Independent Director for a second term is contingent on getting re-elected by the shareholders in accordance with provisions of Act. The Independent Director will not be entitled to compensation if the shareholders do not re-elect them at any time.
- c. The appointment may also be terminated in accordance with the provisions of the Companies Act, 2013.

## **13. Governing Law**

This agreement is governed by and will be interpreted in accordance with Indian law and the engagement shall be subject to the jurisdiction of the Indian courts.

If the Independent Director willing to accept these terms for their appointment as an Independent Director of the Company, they may confirm their acceptance of these terms by signing and returning to the Company.

**Duties of Directors**

- I. The Independent Director shall act in accordance with the Company's Articles of Association.
- II. The Independent Director 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, its employees, the shareholders, the community and for the protection of environment.
- III. The Independent Director shall discharge their duties with due and reasonable care, skill and diligence.
- IV. The Independent Director shall not involve themselves in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- V. The Independent Director shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.
- VI. The Independent Director shall not assign their office as Director and any assignments so made shall be void.

In addition to the above requirements applicable to all Directors, the role of the Independent Director has the following key elements besides other duties cast upon them under Schedule IV of the Companies Act, 2013:

- I. help in bringing an independent judgement to bear on Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- II. bring an objective view in the evaluation of the performance of board and management;
- III. Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- IV. Satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;

- V. Safeguard the interests of all stakeholders, particularly the minority shareholders;
- VI. Balance the conflicting interest of shareholders;
- VII. 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;
- VIII. Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.