

## **Terms and Conditions of Appointment/Re-appointment of Independent Directors**

[Pursuant to the provisions of Section 149 read with Schedule IV to the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 (as amended)]

The appointment / selection process of Independent Directors include ensuring appropriate level of independence, balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

The appointment/re-appointment of Independent Director(s) of the Company is approved by the shareholders of the Company. The Board ensures that the Independent Director proposed to be appointed fulfils the conditions specified in the Act and the Rules made there under and that the proposed director is independent of the Management /Board and a statement to that effect is included in the explanatory statement attached to the notice of the meeting.

The broad terms and conditions of appointment/re-appointment of Independent Directors are reproduced hereunder:

### **1. Appointment/Re-appointment**

The appointment/re-appointment as an Independent Director shall be made in consonance with the applicable provisions of the Companies Act, 2013 read with the rules made thereunder and SEBI (LODR) Regulations, 2015 (as amended) after ascertaining that the person is eligible to be appointed as an Independent Director and after obtaining the necessary approval of shareholders of the Company.

The appointment/re-appointment as an Independent Director on the Board is effective from <date of appointment>, for a period of <terms of appointment> and shall not be liable to retirement by rotation as per the provisions of section 149(13) of the Act.

The Board may, if it deems fit, invite any Independent Director for being appointed on one or more existing Board Committees like Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship/ Grievance Committee, Corporate Social Responsibility Committee or any other existing committee or any such Committee that is set up in the future. The appointment on such Committee(s) will be subject to applicable law(s) & Regulations.

### **2. Roles, Functions and Duties**

Independent Directors are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective inputs in relation to the Company's strategy, performance and risk management as well as ensuring high standards of financial probity and corporate governance. Independent Directors are also expected to observe the compliance with applicable laws, the charter documents of the Company and the rules, regulations and policies of the Company, in relation to his/her directorship and the business of the Company.

The role, functions and duties of Independent Directors will be as provided under the applicable law(s) and in conformity with Section 149(8) read with Schedule IV of the Companies Act, 2013 & SEBI (LODR) Regulations, 2015 (as amended), including / in relation to attendance of meetings, maintenance of confidentiality, safeguarding the interests of the stakeholders, bringing objective judgement, asking clarifications, etc.

In addition, the conduct of Independent Directors will be governed by applicable law(s), including the guidelines for professional conduct set out under the Code of Independent Directors, as provided in Section 149(8) read with Schedule IV of the Act, the duties of directors as set out under Section 166 of the Act and the duties and responsibilities as set out under SEBI (LODR) Regulations, 2015 (as amended).

### **3. Remuneration and Reimbursement of Expenses**

The Company has been paying commission @ 1% of the net profits of the company, computed under section 197/198 of the Companies Act, 2013 (subject to a maximum of Rs. 5.00 lacs p.a.) to the Non-Executive Independent Directors, as per the necessary approvals / sanctions obtained by way of a special resolution(s) of shareholders, pursuant to the provisions of the Companies Act, 2013. Independent Directors are also paid Sitting Fee within the limit prescribed under the Act and as may be decided / approved from time to time, besides out of pocket expenses / traveling expenses incurred in connection with attending the meeting(s).

### **4. Conflict of Interest**

It is accepted and acknowledged that Independent Director(s) may have business interests other than those of the Company. As a condition precedent to commencement of the appointment, Independent Directors are required to declare to the Company any such directorships, appointments and interests to the Board. Thereafter, Independent Director is required to declare to the Company whenever there is any change in the circumstances which may affect his status as an Independent Director.

### **5. Other Terms and Conditions**

#### Expectations

Independent Directors are expected to attend:

- Board / Committee meetings and ensure that they have read and understood the contents of all the documents / information provided to them in relation to Board / Committee meetings and pursue such additional enquiries as they deem fit & appropriate to be informed with respect to the Company's financial / operational performance;
- The general meeting(s) of the Company;
- Such other programs / meetings as may be decided by the Board.

#### Evaluation

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

## Confidentiality

- (i) All information in relation to the Company acquired by the Independent Directors during the appointment and tenure as an Independent Director is confidential and should not be disclosed to third parties unless required by law.
- (ii) Independent Directors are subject to and bound by the prohibition and restrictions against insider trading and disclosure of unpublished price sensitive information, as prescribed under the Act and the regulations issued by the Securities and Exchange Board of India (“SEBI”). Independent Director would have to strictly abide by the Code of Conduct for Prevention of Insider Trading of the Company under SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended or replaced from time to time).

## Liability

Subject to applicable laws, for any breach of duties, Independent Directors will be liable to consequence prescribed under applicable laws and in relation to the Company, Independent Directors would be liable for such acts of omission or commission by the Company which had occurred with his/her knowledge, attributable through Board processes, and with his/her consent or connivance, or where Independent Director has not acted diligently.

## Code of Conduct

During the period of the appointment, the Independent Directors will be bound by the Company Code of Conduct and such other codes of conduct under applicable laws including the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 (as amended).

## Termination

- (i) Independent Director may resign from his/her position at any time by serving a reasonable written notice on the Board stating out the reason for resignation.
- (ii) The appointment of Independent Director may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in section 149(6) or on the occurrence of any event as defined in section 167 of the Act or under any other applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (iii) Continuation of appointment of an Independent Director is contingent on his/her willingness to continue as an Independent Director, and getting re-appointed by the shareholders in accordance with applicable law(s) / Act(s). Independent Director will not be entitled to any compensation for loss of office, in case the shareholders of the Company do not re-appoint him/her at any time.

## 6. Miscellaneous

The appointment of an Independent Director is also subject to the maximum permissible directorships that one can hold under applicable Act(s) / SEBI (LODR) Regulations, 2015 (as amended). Independent Director will not be in employment of the Company. Independent Director will be invited to attend ongoing training and familiarization sessions, including briefings from management and site visits etc.

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