



Terms and Conditions of Appointment of Independent Directors

[Pursuant to the provisions of Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement]

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 of Independent Director(s) of the Company is approved at the meeting of the shareholders. 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 of Independent Directors are reproduced hereunder:

1. Appointment

The appointment as an Independent Director on the Board is effective from <date of appointment>, for a period of <terms of appointment>.

The Board may, if it deems fit, invite Independent Director for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. The appointment on such Committee(s) will be subject to applicable law.

2. Expectations, Roles, Functions and Duties

Independent Director is 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 Director is 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 Director will be as provided under the applicable law, including the Act and in conformity with Section 149(8) read with Schedule IV of the Act and Clause 49 of the Listing Agreement, 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 Director will be governed by applicable law, 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 Clause 49 of the Listing Agreement.

3. Remuneration and Reimbursement of Expenses

The Company is paying commission @ 1% of the net profits of the company, computed under section 197/198 of the Companies Act, 2013 to the Non-Executive Directors including Independent Directors, as per the necessary approvals / sanctions obtained by way of a special resolution(s) of shareholders. Independent Director will also be paid Sitting Fee within in 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 said meeting.

4. Conflict of Interest

It is accepted and acknowledged that Independent Director may have business interests other than those of the Company. As a condition precedent to commencement of the appointment, Independent Director is 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

Evaluation

The performance of Independent Director will be evaluated as per the requirements of the Act and the Listing Agreement.

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. Further, appointment of Independent Director may be terminated in accordance with applicable law.
- (ii) Continuation of appointment of 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. Independent Director will not be entitled to compensation in case the shareholders of the Company do not re-appoint him/her at any time.

Confidentiality

- (i) All information in relation to the Company acquired by Independent Director 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 Director is 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, 1992 (as amended or replaced from time to time).

Liability

Subject to applicable law, for any breach of duties, Independent Director will be liable to consequence prescribed under applicable law and in relation to the Company, Independent Director 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 Director will be bound by the Company Code of Conduct and such other codes of conduct under applicable laws including the Companies Act, 2013 and the Securities and Exchange Board of India Act, 1992.

6. Miscellaneous

The appointment of Independent Director is also subject to the maximum permissible directorships that one can hold under applicable law, including as per the provisions of the Act and the Listing Agreement. 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.
