

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

[Pursuant to the provisions of Schedule IV to the Companies Act, 2013 (“the Act”) and Regulation 46 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015]

### **Term of appointment as an Independent Director:**

The appointment as a Non-Executive Independent Director on the Board of Director of the Company is subject to the provision of Companies Act, 2013.

In compliance with provisions of section 149(13) of the Companies Act, 2013, Independent Directors are not subject to retirement by rotation

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company.

The Independent Directors shall be eligible to be re-appointed for another term of up to five consecutive years subject to their willingness, approval of the Board of Directors based on performance evaluation, other factors and shareholders’ approval by way of special resolution.

### **Role, Responsibilities and Functions:**

The Independent Directors shall:

- ❖ They shall act in accordance with the Company’s Articles of Association as may be amended from time to time;
- ❖ They shall act in good faith in order to promote the objects of the Company for the benefits of its members as a whole, and in the best interest of the Company;
- ❖ 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;
- ❖ bring an objective view in the evaluation of the performance of Board and management;
- ❖ scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- ❖ satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- ❖ safeguard the interests of all stakeholders, particularly the minority shareholders;
- ❖ balance the conflicting interest of the stakeholders;
- ❖ 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;

- ❖ moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

**Duties:**

The Independent Directors shall:

- ❖ undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- ❖ 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;
- ❖ strive to attend all meetings of the Board of Directors and of the Board committees of which he is a Member;
- ❖ participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- ❖ strive to attend the general meetings of the company;
- ❖ 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;
- ❖ keep themselves well informed about the company and the external environment in which it operates;
- ❖ 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;
- ❖ 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;
- ❖ report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct;
- ❖ acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;

**Separate meetings:**

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;

All the Independent Directors of the Company shall strive to be present at such meeting;

The meeting shall:

- ❖ review the performance of non-Independent Directors and the Board as a whole;
- ❖ review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- ❖ 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.

**Remuneration:**

As per the provisions of Section 197(5) of the Act, Independent Directors, shall be entitled to receive remuneration by way of fee for attending meetings of the Board or Committee thereof.

**Disclosure of Interest:**

The Independent Directors are supposed to disclose any material interest that they may have in any transaction or arrangement that the company has entered into. The disclosure shall be made no later than the time when the transaction or arrangement comes up at a Board meeting for discussion so that the minutes may record the interest appropriately. A general notice to the Company that they are interested in any contract with a particular person, firm or company is also acceptable.

**Publication of the letter of appointment:**

The Independent Directors are aware that in line with provision of Clause IV sub clause 6 of Schedule IV, under Companies Act, 2013, the terms and conditions of their appointment will be made public and the same will be displayed on the Company's website.

**Liabilities:**

Section 149(12) of the Act inter-alia states that, notwithstanding anything contained in this Act, an Independent Director shall be held liable, only in respect of such acts of omission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

**Termination:**

The Independent Directors may resign from their position at any time and should they wish to do so, they are supposed to serve a reasonable written notice on the Board. In terms of provision of the Companies Act, 2013, they are required to file a copy of their resignation letter with the Registrar of Companies.

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