

Terms and Conditions of Appointment of Independent Directors

[pursuant to the provisions of Schedule IV to the Companies Act, 2013 (“the Act”)]

Schedule IV to the Companies Act, 2013 is a guide to professional conduct for the independent directors. The adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner promotes confidence of shareholders, regulators and the Company in general.

The appointment process of Independent Directors is independent of the company management. During the selection process, the Board ensures that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

➤ **APPOINTMENT**

- The appointment of independent directors shall be approved at the meeting of the shareholders.
- The Board shall ensure that the Independent Director proposed to be appointed fulfils the conditions specified in the Act and the Rules made thereunder and that the proposed director is independent of the management and a statement to that effect is included in the explanatory statement attached to the notice of the meeting.
- The appointment is for a term of 5 (five) years commencing from the date of appointment and ending (‘Termination Date’) on 6th Annual General Meeting of the Company following the date of appointment and shall not be liable to retirement by rotation. Unless the appointment is renewed on or prior to the Termination Date, the appointment shall come to an end on the Termination Date. The appointment is as per the Company’s Articles of Association.
- The Board may, if it deems fit, invite ID 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.

➤ **EXPECTATIONS, ROLES, FUNCTIONS AND DUTIES**

- As an Independent Director, he will be bound by the Code for Independent Directors as mentioned under Schedule IV to the Companies Act, 2013.
- ID 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. ID is also expected to observe and comply 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 ID 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 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 ID 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.

➤ **REMUNERATION And REIMBURSEMENT OF EXPENSES**

- ID will be paid such remuneration by way of sitting fees for attending meetings of the Board and its Committees as may be decided by the Board from time to time in compliance with applicable law. Further, ID will also be paid remuneration by way of profit related commission. The remuneration shall be subject to applicable taxes and the Company may withhold there from any amounts as are required to be withheld pursuant to applicable law. Any tax liability arising in respect of payments made pursuant to remuneration to ID shall be borne solely by him/her.
- In addition to the remuneration described above the Company will, for the period of appointment, reimburse ID for travel, hotel and other incidental expenses incurred by him/her in the performance of his/her role and duties.

➤ **CONFLICT OF INTEREST**

- It is accepted and acknowledged that ID may have business interests other than those of the Company. As a condition precedent to commencement of the appointment, ID is required to declare to the Company any such directorships, appointments and interests to the Board. Thereafter ID is required to declare to the Company whenever there is any change in the circumstances which may affect your status as an ID.

➤ **CONFIDENTIALITY**

- All information in relation to the Company acquired by ID during the appointment and tenure as an ID is confidential and should not be disclosed to third parties unless required by law.

➤ **LIABILITY**

- Subject to applicable law, for any breach of duties, ID will be liable to consequence prescribed under applicable law and in relation to the Company, ID 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 ID has not acted diligently.

➤ **EVALUATION**

The performance of individual Directors and the whole Board and its committees is evaluated annually. The Independent Director will have to make himself available for carrying out the annual / periodic performance review of himself and the Board committees where he is a part thereof for review purpose. Independent Director has to further confirm that he will extend his contribution to review of the Board of Directors individually as well as for its various committees on behalf of / as desired by the Board of Directors on an annual / periodic time frame.

➤ **TERMINATION**

- ID 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 ID may be terminated in accordance with applicable law.
- Continuation of appointment of ID is contingent on his/her willingness to continue as an ID, and getting re-appointed by the shareholders in accordance with applicable law. ID will not be entitled to compensation in case the shareholders of the Company do not re-appoint him/her at any time.

➤ **OTHER OBLIGATIONS AND COMPLIANCES**

The Independent Director will be required to execute / confirm with respect to the following documentation on a periodic basis:

- Confirmation that he is not disqualified to act as a Director of the Company in terms of the Companies Act, 2013
- Declaration of Independence in terms of the Companies Act, 2013
- Adherence to Section 195 of the Act pertaining to prohibition on insider trading of securities of the Company
- Code of Conduct for Directors of the Company
- Code of Conduct for Independent Directors as per Schedule IV of the Companies Act, 2013
- Disclosure of change in interest in companies where he is appointed / ceased as a Director or Key Managerial Personnel
- Confirmation that his directorships in companies do not conflict with the interest of the Company.

➤ **MISCELLANEOUS**

- The appointment of ID is also subject to the maximum permissible directorships that one can hold under applicable law, including as per the provisions of the Act.
- ID will not be in employment of the Company.
- ID will be invited to attend ongoing training and familiarization sessions, including briefings from management and site visits.

If, in the interim, there are any matters which cause an Independent Director concern about his role, he can discuss them with the Chairman as soon as it is appropriate.