

# TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTOR



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### **1. TERMS OF APPOINTMENT:**

- a) In terms of the provisions of the Companies Act, 2013, and rules made thereunder the appointment of every Independent Director of the company shall be approved by the members of the company and shall be is for a period of maximum five consecutive years from the date of appointment.
- b) The Independent Director shall be eligible to serve as an Independent Director for another term of up to five consecutive years, subject to the recommendation of the Nomination and Remuneration Committee and passing of special resolution by the shareholders of the Company. The terms of your appointment, as set out, are subject to the extant provisions of the (i) applicable laws, including the Act and the Listing Regulations (as amended from time to time) and (ii) Articles of Association of the Company ("AOA").
- c) The Independent Director will not be liable to retire by rotation.
- d) The Independent Director will abide by the Schedule IV- Code for Independent Directors of the Companies Act, 2013 and rules made thereunder.

### **2. EXPECTATION OF BOARD:**

- a) The Independent Directors may be formed part of any committee as may be required pursuant to applicable law.
- b) The Independent Director need to guide Board of Directors in the matter which you are having expertise.

### **3. DUTIES AND RESPONSIBILITY:**

- a) As members of the Board, the Independent Directors along with the other Directors will be collectively responsible for meeting the objectives of Board which includes:
  - Requirements under the Companies Act, 2013.
  - Responsibilities of the Board as outlined in the Corporate Governance requirements as prescribed by Stock Exchange under Regulations 17 and 25 of the Listing Obligations and Disclosure Requirements, 2015 (Herein after called "LODR").
  - Accountability under the Director's Responsibility Statement.

- b) The Independent Directors need to submit a declaration in the beginning of every financial year and upon any change in circumstances which may affect your status as an Independent Director, under section 149(7) of the Companies Act, 2013 during your tenure stating that they meet the criteria of Independence.
- c) The Independent Directors need to ensure that during the tenure as an Independent Director of the Company, the number of Companies in which they hold the office as a director or chairman or committee member will not exceed the limit stipulated under Companies Act, 2013 and the LODR.
- d) The Independent Directors need to ensure that they do not get disqualified to act as a director pursuant to the provision of Section 164 of the Companies Act, 2013, during the tenure as an Independent Director of the Company.
- e) The Independent Directors need to give Company declaration under section 184 of the Companies Act, 2013 regarding the interest in other entities and as and when it changes.
- f) The Independent Directors need to abide by the Company's Code of Ethics and Business Principles to the extent applicable to Independent Directors.
- g) The Independent Directors shall devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as such.

#### **4. CODE OF ETHICS:**

During the Appointment, they are required to comply with any relevant regulations as may be applicable under the relevant statutes and such other requirements as the Company/Board of Directors may from time to time specify including the Code of Conduct for Board of Directors and Senior Management of the Company.

#### **5. REMUNERATION:**

- a) Independent Directors are entitled only to the sitting fees for attending the meetings of Board and the Committee(s) in which hold membership/chairmanship. The sitting fees for attending each meeting of Board and its Committees would be as determined by the Board from time to time.
- b) Further, the Company may pay or reimburse to such expenditure, as may have been incurred by the Independent Directors while performing their role as an Independent Director and profit related commission as may be approved by the member of the Company.
- c) The Independent Directors are not be entitled to any Stock Option in the Company.

**6. CONFIDENTIALITY:**

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

Consequently, they should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the MD or the Secretary.

**7. EVALUATION:**

The Company shall carry out an evaluation of the performance of the Board, Board Committees and Directors. Their appointment and re-appointment on the Board shall be subject to the outcome of the evaluation process.

**8. DISCLOSURE OF INTEREST:**

They will disclose material interest that 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 his interest appropriately and his records are updated. A general notice that they are interested in any contracts with a particular person, firm or company is acceptable.

**9. TERMINATION:**

- a) The Independent Directors may resign from position at any time and should wish to do so, they are requested to serve a reasonable written notice on the Board.
- b) Continuation of their appointment is contingent on his getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. They will not be entitled to compensation if the shareholders do not re-elect at any time.
- c) Their appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

**10. GOVERNING LAW:**

The appointment of independent director is governed by and will be interpreted in accordance with Indian law and his engagement shall be subject to the jurisdiction of the Indian courts.

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