

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

### **1. INTRODUCTION**

Independent Directors play a pivotal role in maintaining a transparent working environment in the corporate regime. Independent Directors constitute such category of Directors who are expected to have impartial and objective judgment for the proper functioning of the company. Section 149(4) of the Companies Act, 2013 provides for a special class of Directors called "Independent Directors". An Independent Director means a director as defined in section 149(6) of the Companies Act, 2013 and as per Clause 49 of the Listing Agreement.

### **2. TENURE OF APPOINTMENT**

An Independent Director shall hold office for a period of 5 years consecutively on the Board of a company and is eligible for reappointment on passing of a special resolution by the company pursuant to the provision of Section 152 of the Act. No Independent Director shall hold office for more than 2 consecutive terms. Provided he/she shall be eligible for reappointment after the expiration of 3 years of ceasing to be an Independent Director. Further, such an he/she shall not be appointed or associated with the company in any capacity either directly or indirectly in those 3 years.

### **3. QUALIFICATION**

An Independent Director shall possess appropriate balance of skills, experience and knowledge in the fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations and other disciplines related to company's business.

### **4. COMMITTEES**

During the appointment the Independent Director may be asked to serve on one or more of the Board Committees and he/she will be provided with copies of the terms of reference for each of those committees.

The Board will also from time to time reconstitute the existing Committees depending upon the regulatory requirements and business needs.

**5. REMUNERATION**

An Independent Director shall be paid sitting fees (as fixed by the Board from time to time) for attending the meetings of the Board & Committees in which he/she is a member. As an Independent Director he shall not be entitled to any stock option. The Board of Directors every year decided the annual remuneration of Independent Directors pursuant to the resolution passed by shareholders of the Company.

The Company may pay or reimburse to the Independent Director such fair and reasonable expenditure, as may have been incurred by him/her for attending Board/Committee Meetings, Annual General Meetings, and Extraordinary General Meetings etc. while performing the role of Independent Director of the Company.

**6. ROLE, DUTIES & RESPONSIBILITIES**

As a member of the Board, he/she along with the other Directors will be collectively responsible for meeting the objectives of the Board which includes:

- Requirements under the Companies Act, 2013 ('the Act')
- 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 of interest of the Company
- Discharge duties with due and reasonable care, skill and diligence
- Accountability under the Directors' Responsibility Statement
- Overseeing the maintenance of high standards of values and ethical conduct of business
- Any other duties and responsibilities which is required to play the role of an Independent Director or vested by the Board from time to time.

He/she shall abide by the Company's Code of Conduct for directors and the 'Code for Independent Directors' as outlined in Schedule IV to section 149(8) of the Act, and duties of directors including those provided in section 166 of the Act.

**7. PERFORMANCE APPRAISAL / EVALUATION PROCESS**

As an Independent Director of the Board, performance evaluation shall be done by the entire Board of Directors as required under Clause VIII of Schedule IV (Code for Independent Directors) of the Act.

**8. DISCLOSURE & CHANGE OF PERSONAL DETAILS**

During the term, the Independent Director will promptly notify the Company any change in directorships, and provide such other disclosures and information as may be required under applicable laws. Upon becoming aware of any potential conflict of interest with the position as an Independent Director of the Company, he/she shall promptly disclose the same to the Chairman and the Company Secretary.

During the term, the Independent Director will promptly provide a declaration under section 149(7) of the Act, upon any change in circumstances which may affect the status of an Independent Director.

**9. TERMINATION**

The directorship on the Board of the Company shall terminate or cease in accordance with law. The Independent Director may resign from the Directorship of the Company by giving one months' notice in writing to the Company stating the reasons for resignation and also to the Registrar of Companies (ROC). The Independent Directors' appointment is subject to retirement policy of the Board and/or other regulatory requirements.

If at any stage during the term, there is a change that may affect the status as an Independent Director as envisaged in Section 149(6) of the Act, the Independent Director will promptly submit resignation to the Company with effect from the date of such change.

**10. COFIDENTIALITY**

All information acquired during the appointment of the Independent Director is confidential to the Company and he/she shall not disclose the same either during appointment or following cessation as director to third parties without prior clearance from the Board unless required by law or regulatory body.