

TERMS & CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTORS

1. **Appointment**

Appointment of Independent director will be for a maximum term of 5 (five) years from the date of appointment. Independent Director shall not be liable to retire by rotation.

Appointment and tenure of Independent Director shall be consistent with the applicable provisions of the Companies Act, 2013. The term 'Independent Director' shall be construed as defined under the Companies Act, 2013.

2. **Committees**

Independent Director may be appointed as member of various Committees of Board as may be decided by the Board of Director of the Company from time to time during his/her tenure with the Company.

3. **Role and Duties**

As a member of the Board, role, duties and responsibilities of independent director will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013.

In terms of Section 166 of the Companies Act, 2013, independent director shall :

- I. Act in accordance with the Company's Articles of Association.
- II. Act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- III. Exercise his/her duties with due and reasonable care, skill and diligence.
- IV. Not involve himself in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- V. Not achieve or attempt to achieve any undue gain or advantage either to him/herself or to his/her relatives, partners or associates.
- VI. Not assign his/her office as Director and any assignments so made shall be void.

Independent Director shall also abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013, and duties of directors as provided in the said Act.

4. **Remuneration**

Fees/Commission:

Independent Director 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 and/or approved by the Shareholders from time to time. Currently, the sitting fees is as under :

For Board Meeting – Rs. 1,00,000/- per Board Meeting

For Committee Meeting – Rs. 50,000/- per Committee Meeting

In addition to above, Independent Director will also be paid remuneration by way of commission as may be approved by the Board and the Shareholders from time to time. Currently, the commission is as under :

Maximum upto Rs. 20,00,000/- (Rupees Twenty Lacs) per Independent Director subject to the condition that Commission to all the Non-Executive Directors shall not exceed 1% of the net profits of the Company per annum calculated in accordance with the applicable provisions of the Companies Act, 2013.

Reimbursement of Expenses:

In addition to the remuneration described, hereinabove, the Company will, for the period of his/her appointment, reimburse him/her for travel, hotel and other incidental expenses incurred by him/her in the performance of his/her role and duties.

5. **Code of Conduct & other compliances**

During the appointment, Independent Director will comply with any relevant regulations as may be issued by the Government of India and such other authorized bodies as set up by the Government on its behalf, including the Code for Independent Directors, Code of Conduct and Ethics for Directors and Senior Executives and Insider Trading Code (if applicable) and such other requirements as the Board of Directors may from time to time specify.

At the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his/her status as an independent director, Independent Director shall give a declaration to that effect confirming that Independent Director meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

6. **Conflict of Interest**

Independent Director may have business interests other than those of the Company. As a condition to the appointment of the Independent Director, he/she is required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of appointment of Independent Director.

In the event of any circumstances that may arise or is likely to arise, which may or may not create conflict of interest, but may lead to the Board to revise its judgment on the independency of the Independent Director, such event should be disclosed to both Managing Director and Company Secretary of the Company, immediately.

7. **Liability**

Independent Director will be liable only for such acts of omission or commission by a Company which had occurred with the knowledge of the Independent Director, attributable through Board processes, and with the consent or connivance of the Independent Director or where Independent Director had not acted diligently.

8. **Confidentiality**

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

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

9. **Evaluation**

The Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors. His/her appointment and re appointment on the Board shall be subject to the outcome of the evaluation process.

10. **Disclosure of Interest**

Independent Director shall 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/her interest appropriately and his/her records are updated. A general notice that Independent Director is interested in any contracts with a particular person, firm or company is acceptable.

11. **Training/Familiarisation Programmes**

The Company will impart Familiarisation Programmes to the Independent Director(s) and will keep them updated about latest happening in the industry, laws applicable on the Company including any amendment from time to time to equip them to perform their role in the best possible manner.

12. **Termination**

- a. Independent Director may resign from his/her position at any time and should Independent Director wish to do so, he/she is requested to serve a reasonable written notice on the Board.
- b. Continuation of his/her appointment is contingent on his/her 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. He will not be entitled to compensation if the shareholders do not re-elect him at any time.
- c. His/her appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

13. **Insurance**

The Company has a Directors' and Officers' liability Insurance Policy to pay for the personal liability of the Directors and Officers of the Company towards the claim made against them. It is intended to maintain such insurance cover for the full term of the appointment of Independent Directors of the Company

14. **Governing Law**

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