

Terms & Conditions of Independent Directors

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

The terms and conditions of appointment of the Independent Directors of the Company in accordance with the requirements of the provisions of the Companies Act, 2013 and Listing Agreement:

APPOINTMENT

1. The appointment of a Director as an 'Independent Non-Executive Director' on the Board of Directors of the Company is subject to the provisions of the Act and rules framed thereunder. Further such appointment of an

Independent Non-Executive Director shall not be liable to retirement by rotation as per the provisions of section 149(13) of the Act.

2. Notwithstanding other provisions of this Letter, the appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in section 149(6) or on the occurrence of any event as defined in section 167 of the Act.
3. Upon termination or upon resignation for any reason, duly intimated to the Company, Director shall not be entitled to any compensation for loss of office.
4. By accepting this appointment, the Director confirms that he/she is able to allocate sufficient time to meet the expectations from the role to the satisfaction of the Board.

COMMITTEES

During the tenure of office, Independent directors may be requested to serve on one or more Committees of the Board and in the event of acceptance of such request(s) they will be provided with the relevant Committee's terms of reference and specific responsibilities.

ROLE, DUTIES AND RESPONSIBILITIES

The role and duties will be those normally required of a Independent Non-Executive Director under the Companies Act, 2013 and Listing Agreement. There are certain duties prescribed for all Directors, Both Executive and Non-Executive, which are fiduciary in nature and are as under:

Reviewing and guiding on corporate strategy, major plans of action, risk policy, Annual budgets and business plans, setting performance targets, monitoring implementation, overseeing major capital expenditures, acquisitions and divestments and reviewing financing plans and progress thereon.

2. Monitoring the effectiveness of the listed entity's governance practices and making changes as needed.
3. Selecting, compensating, monitoring and, when necessary, replacing Key Managerial Personnel and overseeing succession planning.
4. Aligning Key Managerial Personnel and remuneration of Board of Directors with the longer term interests of the listed entity and its shareholders.
5. Ensuring a transparent nomination process to the Board of Directors with the diversity of thought, experience, knowledge, perspective and gender in the Board of Directors.
6. Monitoring and Managing potential conflicts of interest of management, members of the Board of Directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
7. Ensuring the integrity of the listed entity's control systems, accounting and financial reporting systems, including the Independent audit and compliance with the law and relevant standards.
8. Overseeing the process of disclosure and communications.
9. Monitoring and reviewing Board of Director's evaluation framework.

RESPONSIBILITIES:

1. Members of the Board of Directors and Key Managerial Personnel disclose to the Board of Directors whether they, directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Company.
2. The Board of Directors and Senior management conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information, in order to foster a culture of good decision making.
3. The Board of Directors provide strategic guidance to the listed entity, ensure effective monitoring of the management and is accountable to the listed entity and the shareholders.
4. The Board of Directors set a corporate culture and the values by which Executives throughout the Company shall behave.
5. Members of the Board of Directors act on fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.
6. The Board of Directors encourage continuing – training of Directors to ensure that the members of Board of Directors are kept up to date.

7. Where decisions of the Board of Directors may affect different shareholder groups differently, the Board of Directors shall treat all shareholders fairly.
8. The Board of Directors maintains high ethical standards and shall take into account the interests of stakeholders.
9. The Board of Directors exercise objective Independent judgment on corporate affairs.
10. The Board of Directors consider assigning sufficient number of Non-Executive members of the Board of Directors, capable of exercising Independent judgment, to tasks where there is a potential for conflict of interest.
11. The Board of Directors ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognized or exposes the Company to excessive risk.

CONFLICT OF INTEREST

Independent Directors are required to promptly notify any change in their Directorships, appointments and interest in any manner whatsoever. In the event that circumstances seem likely to change and could give rise to a conflict of interest or, when applicable, circumstances that lead the Board to revise its judgment on director's independence, the same should be disclosed to both the Chairman and the Company Secretary of the Company

CODE OF CONDUCT

Independent Director is required to comply with regulations as contained in Schedule IV under Companies Act, 2013, including the following codes of conduct of the Company:

1. Code of Conduct for Board of Directors and Senior Management;

2. Code of Internal Procedure and Code for prevention of Insider Trading in securities of the Company;
3. Other policies as may be applicable to Independent Directors including as a Director of the Company from time to time

The Independent Directors are required to make disclosure of interest as per Section 184 as well as declaration of independence as per Section 149 of the Act and Regulation 16(1)(b) read with Regulation 25(8) of the Listing Regulations and should not participate in the meeting on any contract or arrangement in which the concerned director is interested.

STATUS OF APPOINTMENT

You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid sitting fees for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time. The sitting fees presently paid to the Non-Executive Independent Director is Rs. 20,000/- per meeting . The Independent Director will not have any entitlement to any bonus during the appointment and no entitlement to participate in any employee stock option scheme operated by the Company or any Group Company.

REIMBURSEMENT OF EXPENSES

In addition to the sitting fees described above, the Company will, for the period of the appointment, reimburse for travel, hotel and other incidental expenses as may be incurred in the performance of the role and duties by Independent Director.

EVALUATION PROCESSES

6. EVALUATION AND PERFORMANCE OF INDEPENDENT DIRECTORS :

The performance evaluation of the Independent Directors was done by the Board, except the Directors being evaluated. The criteria adopted for performance evaluation were as follows:

ROLE & ACCOUNTABILITY

- Understanding the nature and role of Independent Directors' position.
- Understanding of risks associated with the business.
- Application of knowledge for rendering advice to management for resolution of business issues.
- Offering constructive challenge to management strategies and proposals.
- Active engagement with the management and attentiveness to progress of decisions taken.

OBJECTIVITY

- Attendance and active participation.
- Knowledge of the working of industry, experience and related issues.
- Understanding of risks associated with the business.
- Understanding the nature and Directors' role.
- Commitment to role & fiduciary responsibilities as a Board member.
- Leadership & initiative.
- Application of knowledge for rendering advice to management for resolution of business issues and competition challenges.
- Independent judgment.
- Non-partisan appraisal of issues.
- Compliance, due diligence and financial control.
- Safeguarding the interest of the Company and its minority shareholders.

CONFIDENTIALITY

All information acquired during the tenure of Independent directors is confidential to the Company and shall not be released, either

during the appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman, unless required by law or by the rules of any Stock Exchange or any regulatory body.

RESIGNATION OR REMOVAL

The resignation or removal of an Independent Director shall be in the manner as provided under Sections 168 and 169 of the Companies Act, 2013.

GENERAL

This letter and any non-contractual obligations arising out of or in connection with this letter are governed by and shall be construed in accordance with, the laws of India, and the parties agree to submit to the exclusive jurisdiction of the courts in India.