



## **Terms and Conditions of appointment of Independent Directors (IDs)**

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#### **1. Terms of Appointment:**

- The appointment of Independent Director (ID)s of the Company is effective from the date of requisite approvals of Board and shareholders and the tenure as decided in the said meetings subject to applicable regulations, and would be entitled for reappointment as prescribed in applicable regulations and shall not be subject to retirement by rotation.
- Appointment of every independent director shall be approved by members' of the Company.
- The appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013.
- Independent Directors will be eligible for re-appointment terms as provided in the applicable regulations and subject to Board approval, and the passing of a Special Resolution by Members.

#### **2. Roles and Duties:**

- The roles and duties of the Independent Director will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are inter-alia as under:
  - a. He/ she shall act in good faith in order to promote the objects of the Company for the benefit of the members of the Company as a whole, and in the best interest of the Company its employees, the shareholders, the community and for the protection of environment.
  - b. He/ she shall discharge duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
  - c. He/ She shall not involve in a situation in which he/ she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
  - d. He/ She shall not achieve or attempt to achieve any undue gain or advantage to either himself / herself or his / her relatives, partners or associates.
  - e. He/ She shall not assign his office and any assignment so made shall be void.
  - f. He/ She Shall comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities.
- Independent Directors shall also be taking sufficient care to perform standards specified in the Code for Independent Directors under Schedule IV of the Companies Act, 2013 (including any modification or re-enactment of the same) that come with such an appointment along-with accompanying liabilities.
- In addition to their role as Directors, the Board may nominate Independent Director as the Chairman/ Member of other Board Committees, as it may deem fit from time to time



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### **3. Expectation of the Board from the appointed Director**

- An Independent Director is expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance.
- They will be expected to attend meetings of Board and Board Committees in which ID is a member and Members meetings and to devote such time as appropriate to discharge their duties effectively.
- By accepting the appointment, the Directors confirm that they are able to allocate sufficient time to meet the expectations from their role to the satisfaction of the Board.

### **4. Directors' Fees/ Remuneration**

- A sitting fee will be paid for attending each meeting of the board and Committee meeting attended, as per the provisions of Section 197 of the Act 2013 and the Articles of Association of the Company, as fixed by the board from time to time;
- The ID will be entitled to claim reimbursement of all his/ her travelling, hotel and other incidental expenses incurred by him/ her in performance of duties as director of the Company, as per the provisions of the Act 2013.

### **5. Stock Options**

- Independent Director is not eligible to participate in Stock Options schemes of the Company.

### **6. Status of Appointment**

- The Independent Director will not be an employee of the Company and the appointment letter shall not constitute a contract of employment. The Directors will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and / or as approved by the Members from time to time.

### **7. Conflict of Interest**

- It is accepted and acknowledged that the appointed IDs may have business interests other than those of the Company. Considering the same, they are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of their appointment.
- In the event that circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgments that they are independent, this should be disclosed to both the Chairman and the Secretary.



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### **8. Confidentiality**

- All information acquired during the appointment is confidential to the Company and should not be released, either during the appointment or following termination (by whatever means) to third parties without prior clearance from the Chairperson unless required by law or regulatory body. On reasonable request, Director shall surrender any documents and other materials made available to them by the Company.
- Your attention is also drawn to the requirements under both legislation and regulation as to the disclosure of price sensitive information. Consequently, you should avoid making any statements that might risk a breach of these requirements without prior clearance from the Chairperson or Company Secretary.
- Unless specifically authorized by the Company, the Independent Director shall not disclose Company and business information to public constituencies such as the media, the financial community, employees, members, agents, franchises, dealers, distributors and importers.

### **9. Termination**

- Independent Directors may resign from their position at any time and if they wish to do so, they are requested to serve a reasonable written notice on the Board.
- Continuation of their appointment is contingent on getting re-elected by the members in accordance with provisions of Companies Act, 2013, the Rules framed thereunder and the Articles of Association of the Company, from time to time in force. They will not be entitled to compensation if the members do not re-elect them at any time.

### **10. Performance evaluation of Independent Directors**

- The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- The re-appointment of independent director shall be based on report of performance evaluation.

### **11. Miscellaneous**

- Independent Directors shall give an annual declaration as required under the provision of section 149(7) of the Companies Act, 2013 and the rules made thereunder.