

# Terms and Conditions of Appointment of Independent Directors

[Pursuant to the provisions of Schedule IV to the Companies Act, 2013 (“the Act”) and Clause 49 of the Listing Agreement]

## 1. Appointment

In accordance with the provisions of the Companies Act, 2013 and other applicable laws appointment is effective from the <date of appointment>. Appointment is subject to the approval of shareholders.

## 2. Board Committees

Independent Directors (IDs) may be required to serve on one or more of the Committees of the Board established by the Company as may be directed by the Board from time to time. Upon IDs appointment to any one or more Committees, they will be provided with the appropriate Committee charter which sets out the functions of that Committee.

## 3. Professional Conduct

As an Independent Director, they shall:

- a) uphold ethical standards of integrity and probity;
- b) act objectively and constructively while exercising their duties;
- c) exercise their responsibilities in a bona fide manner in the interest of the Company;
- d) devote sufficient time and attention to their professional obligations for informed and balanced decision-making;
- e) not allow any extraneous considerations that may vitiate their exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- f) not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct and indirect personal advantage for any associated person.
- g) refrain from any action that could lead to a loss of their independence;
- h) ensure that if circumstance arise under which they may lose their independence to immediately inform the Board accordingly;
- i) assist the Company in implementing the best corporate governance practices.

## 4. Functions, Responsibilities and Duties of Directors

## **Functions and Responsibilities:**

As an Independent Director they shall:

- 1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- 2) bring an objective view in the evaluation of the performance of board and management;
- 3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- 5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- 6) balance the conflicting interest of the stakeholders;
- 7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- 8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

## **Duties:**

As an Independent Director they shall:

- a) undertake the appropriate induction into the Board and regularly update and refresh their skills, knowledge and familiarity with the Company;
- b) seek appropriate clarification and, where necessary, seek and follow appropriate professional advice from external experts at the expenses of the Company;
- c) strive to attend every meeting of the Board and of the Board Committees of which they are a member;
- d) actively and constructively participate in the Committees of the Board in which they may be a member or the Chairperson;
- e) strive to attend the general meetings of the Company;
- f) ensure that any concerns that they may have about the running of the Company are addressed by the Board and seek inclusion of these concerns in the Board minutes to the extent these concerns are not resolved;
- g) keep themselves well informed about the Company and the external environment in which it operates;
- h) not unfairly obstruct the functioning of an otherwise proper Board Committee;

- i) ensure that related party transactions are considered carefully before they are approved and are in the interest of the Company;
- j) ensure that the whistleblower function of the Company is functioning adequately;
- k) report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics;
- l) within their authority, assist in protecting the legitimate interest of the Company, Shareholders and its employees.
- m) Not disclose any confidential information unless such disclosure is expressly approved by the Board or required by law.
- n) comply with all other duties and responsibilities as may be imposed on them by the Companies Act, 2013 and any Rules made thereunder.

#### **5. Dealing in shares of the Company**

Directors are *prohibited* from dealing in the Company's shares while in possession of unpublished price sensitive information or during the period when the trading window is closed. Further, directors, being designated officers of the Company for the purpose of insider trading guideline, they to pre-clear all trades (buy/sell/gift) from the Compliance Officer. they are also to comply with the applicable insider trading laws /regulations and the Company's Insider Trading Code.

#### **6. Adherence to the Code of Conduct**

IDs will be required to adhere to the code of conduct of the Company as may be revised from time to time.

#### **7. Remuneration**

IDs will be paid sitting fees for attending the Board and Committee meetings as decided by the Board from time to time. Presently, the sitting fees for attending the Board Meeting is Rs.10000/- per meeting and Rs.5000/- for Audit Committee Meeting and Rs.1000/- for other Committee Meeting. They will also be reimbursed with the expenses for participation in the Board and other meetings.