

# **TERMS OF APPOINTMENT OF INDEPENDENT DIRECTORS**

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

The terms of appointment of Independent Directors are subject to the extant provisions of Section 149 of the Companies Act, 2013 read with Schedule IV and the rules made thereof and as amended from time to time .

The broad terms and conditions of appointment of Independent Directors of the Company are reproduced hereunder:

### **1. Appointment:**

- 1.1 Your appointment is subject to the extant provisions of the Companies Act, 2013, as amended from time to time.
- 1.2 The term “Independent Director” should be construed as defined under the Companies Act, 2013.
- 1.3 The Company has adopted the provisions with respect to appointment and tenure of Independent Directors as are consistent with the Companies Act, 2013. The Company is at liberty to disengage a Non-Executive Independent Director earlier subject to compliance of the relevant provisions of the Companies Act, 2013.
- 1.4 As an Independent Director, You will not be liable to retire by rotation.

### **2. Committees:**

The Board of Directors (“the Board”) may invite you for being appointed on one or more of the existing Board Committees or any Committee(s) that may be set up in the future. Your appointment on such Committee(s) will be subject to the applicable legal requirements.

### **3. Time Commitment:**

- 3.1 As a Non-Executive Director Independent Director, You are expected to bring objectivity and independence to the Board’s discussions and help in providing 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.

The Board meets at least four times in a year. You will be expected to attend the Board, the Board Committees and the Annual General Meetings and to devote sufficient time, as required for you to discharge your duties effectively.

- 3.2 By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations of your role to the satisfaction of the Board.

#### **4. Fiduciary Duties:**

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the rules and regulations of Reserve Bank of India (RBI). There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature. You will adhere to the following duties of directors, which are more specifically stipulated in Section 166 of the Act, as under:-

- i) Subject to the provisions of Companies Act, 2013, you shall act in accordance with the Articles of Association of the Company.
- ii) You shall 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 interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- iii) You shall exercise your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- iv) You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- v) You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates and if you are found guilty of making any undue gain, you shall be liable to pay an amount equal to that gain to the company.
- vi) You shall not assign your office and any assignment so made shall be void.

In addition to the above requirements, you are also required to discharge the duties, roles and functions and comply with the provisions as applicable to Independent Directors as stated under Schedule IV to the Companies Act, 2013 as in force and as may be amended from time to time which are as follows:-

- i) help in bringing an independent judgement to bear on Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- ii) bring an objective view in the evaluation of the performance of board and management;

- iii) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- iv) satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
- v) safeguard the interests of all stakeholders, particularly the minority shareholders;
- vi) balance the conflicting interest of shareholders;
- vii) 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;
- viii) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

## **5. Code of Conduct:**

During your tenure, you 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 and such other requirements as the Board of Directors may from time to time specify.

## **6. Induction and Development:**

The Company shall, if required, conduct formal induction program for its Independent Directors. The Company shall, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the Company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

## **7. Performance Appraisal/Evaluation Process:**

Performance Appraisal/Evaluation Process as a member of the Board, your performance shall be evaluated annually. Evaluation shall be done by all the other Directors. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board/Committee.

## **8. Provision of Directors' and Officers' Insurance:**

The Company has Directors' and Officers' liability insurance (to a limited extent) and it is intended that the Company will assume and maintain such cover for the full term of your appointment.

## **9. Remuneration:**

You will be paid such remuneration by way of sitting fees as may be decided by the Board of Directors in pursuance of the provisions of the Companies Act, 2013.

In addition to the remuneration mentioned above, the Company will for the period of your appointment, reimburse you for travel, hotel and other reasonable expenses, if any, incurred by you in the discharge of your roles/duties.

## **10. Conflict of Interest:**

It is accepted and acknowledged that you may have business interests, memberships other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment. In the event that your 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 judgment that you are independent, this should be disclosed to the Company at the earliest.

## **11. Confidentiality:**

All information acquired during your tenure of directorship is confidential and should not be disclosed, either during your tenure or following termination (by whatever means) to third parties without prior clearance from the Board, unless the same is required by law or by the rules of regulatory body.

## **12. Disclosure of Interest:**

It is expected that any interest you may have in any transaction or arrangement that the Company has entered into should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice in Form MBP-1 that you are interested in any contracts with a particular person, firm or company is acceptable.

## **13. Termination:**

You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice to the Board.



Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of the Companies Act, 2013, and the Articles of Association of the Company, from time to time in force. You will not be entitled to any compensation if the shareholders do not re-elect you at any time.

Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company.

**General:**

This terms of appointment is governed by and will be interpreted in accordance with Indian Law and your engagement shall be subject to the jurisdiction of the Indian courts.

It is our pleasure to have you on our Board. Your association, expertise and advise will immensely benefit the Board of Directors and the Company.