

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

### **[Pursuant to the provisions of Schedule IV to the Companies Act, 2013 and Clause 49(II)(B)(4) of the Equity Listing Agreement].**

The Broad terms and conditions of appointment of Independent Directors (I.D./I.D.'s) are reproduced below:-

#### **1. APPOINTMENT**

The appointment is subject to the provisions of Companies Act, 2013 ("the Act") and Clause 49 of the Listing Agreement and will be for an initial term up to Five (5) consecutive years and shall take effect from , the date of approval by Shareholders unless terminated earlier or extended, as per the provisions of the letter of appointment or applicable laws ("Term").

As I.D.'s they will not be liable to retire by rotation as per the relevant provisions of the Act and Listing agreement.

Re-appointment at the end of the Term shall be based on the recommendation of the Nomination, Remuneration and Compensation Committee and subject to the approval of the Board and the Shareholders. I.D.'s re-appointment would be considered by the Board based on the outcome of the performance evaluation process and they continuing to meet the independence criteria.

#### **2. COMMITMENTS**

##### **A) Independent Director**

I.D. is expected to devote such time as is necessary for the proper performance of their duties and as an Independent Director they will be involved in a number of Board and Committee meetings each year. They should strive to attend all the scheduled quarterly Board Meetings, General Meetings, Committee Meetings and other meetings.

As I.D.'s, they should strive to hold and present in at least one meeting in a year without the presence of non-independent directors and members of management with the sole objective of:

- (a) review the performance of non-independent directors and the Board as a whole;
- (b) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- (c) Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

##### **B) The Company**

- The Company shall provide I.D.'s with adequate notice of the dates of proposed Board Meeting, General Meeting and Meetings of the Board Committee. As per the provision of the Companies Act, the Company is expected to give I.D.'s an advance notice of minimum 7 days of every Board Meetings. A meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one I.D.'s shall be present at the meeting and in case of absence of I.D.'s from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification



thereof by at least one I.D. The notice of the Board/ Committee Meetings will be provided along with the agenda of the Board/ Committee Meetings.

- The Company will familiarize its Board members with the nature of the industry in which the Company operates, business model of the Company as well as the risk profile of the business parameters of the Company and their roles, rights and responsibilities as Directors,
- Company shall establish an effective whistle blower mechanism so that the Directors can raise their concerns
- It shall be the responsibility of the Company to provide the I.D. with all the information and documents they validly require to fulfill their functions.

### **3. CODE OF CONDUCT, FUNCTIONS AND DUTIES**

I.D.'s are expected to perform their duties, whether statutory, fiduciary or common law, faithfully, efficiently and diligently to a standard commensurate with both the functions of their role and their knowledge, skills and experience. They will have all the usual duties of an I.D. under the Act and applicable Listing Agreement of the Stock Exchanges, where shares of the Company are listed, together with such additional duties as may be agreed with the Board, and which may relate to the business of the Company or any other member of the Group. They will be required to serve on such Committees and/ or sub-Committee of Directors as the Board may request. In addition, they will be expected to devote appropriate preparation and travel time ahead of each meeting.

As a Director of the Company, I.D.'s will have legal duties and obligations under Companies Act. It is expected that I.D.'s will familiarize themselves with the relevant Directors' Duties, roles and responsibilities.

### **4. LIABILITY**

As I.D.'s will be liable only in respect of such acts of omission or commission by a Company which had occurred with their knowledge, attributable through Board processes and with their consent or connivance or where they had not acted diligently.

### **5. TECHNOLOGY**

I.D.'s may make use of video, telephone, electronic mail, any other technology which permits each Director to communicate with every other Director, or any combination of these technologies for the purpose of calling and holding Directors' meetings.

I.D.'s may attend the Board or Committee meeting through video conferencing or other audio visual means subject to the applicable provisions of the Act.

### **6. CONFLICT OF INTEREST**

At the time of appointment I.D.'s should confirmed that any other position they hold including their directorships in other organizations, shall not give rise to any conflicts of interest in relation to their appointment as I.D.'s of the Company.

## 7. DISCLOSURES

I.D.'s are required to disclose to the Company their interests and any matters (excluding those matters which may be subject to legal professional privilege) which affect their independence.

During their tenure as I.D.'s they are required to give a declaration that they meet the criteria of Independent every financial year as provided under Section 149 of the Act and Clause 49 of the Listing Agreement. .

## 8. DIRECTORS' FEES

I.D.'s shall be paid sitting fees as decided by the Board from time to time for attending the each meeting of Board as well as the Committee Meetings attended by them, as per the provisions of Section 197 of the Act and the Articles of Association of the Company.

In addition to the sitting fees, profit related commission may also be payable to them. In determining the amount of this commission, the Nomination, Remuneration and Compensation Committee may consider various factors. An indicative list of the factors that may be considered are as follows:

- Attendance at Board meetings,
- Attendance at Board Committee meetings,
- Chairmanship of the Board,
- Chairmanship of Board Committees,
- Contribution at Board and Committee meetings,
- Guidance and support provided to senior management of the Company outside of Board meetings,
- Industry practices,
- Performance evaluation, and
- Performance of the Company.

The Company shall reimburse them all traveling, hotel, and other incidental expenses properly and reasonably incurred by them in performance of their duties as per provisions of the Act in conjunction with the Company rules and policies. This could include reimbursement of expenditure incurred by them for attending Board/ Committee Meetings, Annual General Meetings, Extraordinary General Meetings, Court convened Meetings, Meetings with Shareholders/ creditors/ management, site visits, induction (organized by the Company for Directors) and in obtaining, subject to prior consultation with the Board, professional advice from independent advisors in the furtherance of their duties as I.D.'s.

As I.D.'s, they shall not be entitled to any stock option and shall not be covered by any pension scheme.

## 9. PERFORMANCE APPRAISAL / EVALUATION PROCESS

As a member of the Board, I.D.'s performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be determined by the Nomination, Remuneration and Compensation Committee and disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee. An indicative list of factors that may be evaluated as part of this exercise is:

- Participation and contribution by a director,
- Commitment (including guidance provided to senior management outside of Board/ Committee meetings),
- Effective deployment of knowledge and expertise,
- Effective management of relationship with stakeholders,
- Integrity and maintenance of confidentiality,
- Independence of behaviour and judgment, and
- Impact and influence.

The performance of individual directors, the whole Board and its Committees is evaluated annually. If, in the interim, there are any matters which cause their concern about their role, they should discuss them with the Chairman or the senior Independent Director as soon as they can.

#### **10. DISCLOSURES, OTHER DIRECTORSHIPS AND BUSINESS INTERESTS**

During the Term, I.D.'s agree to promptly notify the Company of any change in their directorships, and provide such other disclosures and information as may be required under the applicable laws. They also agree that upon becoming aware of any potential conflict of interest with their position as I.D.'s of the Company, they shall promptly disclose the same to the Chairman and the Company Secretary. During the Term, they agree to promptly provide a declaration under Section 149(7) of the Act, upon any change in circumstances which may affect their status as an Independent Director.

#### **11. CHANGES OF PERSONAL DETAILS**

During the Term, I.D.'s shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

#### **12. TERMINATION**

I.D.'s directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Act, their directorship may be terminated for violation of any provision of the Company's Code of Conduct.

They may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by them in the notice, whichever is later. It is desirable that they give the Chairman reasonable forewarning of their intention to resign or to not seek re-appointment where that is possible so that the Company can plan for succession of skills and experience on the Board.

If at any stage during the Term, there is a change that may affect their status as I.D.'s as envisaged in Section 149(6) of the Act or, if applicable, they fail to meet the criteria for "Independence" under the provisions of Clause 49 of the Listing Agreement, they agree to promptly submit their resignation to the Company with effect from the date of such change.

#### **13. CODE FOR INDEPENDENT DIRECTORS, CODE OF CONDUCT FOR DIRECTORS AND CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING FOR EMPLOYEES, INCLUDING DIRECTORS**

I.D.'s are required to abide by the Code for Independent Directors, Code of Conduct for Directors and Code of Conduct for Prevention of Insider Trading for Employees, including Directors, as issued by the Company.



#### **14. INDEMNITY AND INSURANCE/ PROVISION FOR DIRECTORS AND OFFICERS (D AND O) INSURANCE**

The Company may obtain a Directors' & Officers' liability Insurance Policy for I.D.'s. Details of the same will be provided as and when such policy is taken by the Company.

#### **15. CONFIDENTIALITY AND ACCESS TO COMPANY RECORDS**

Under the Act, Directors have a right of access to Company's documents and records, including financial records.

Any confidential information which may come to I.D.'s knowledge in the performance of their duties as directors of the Company must not be divulged, except so far as:

- a. may be necessary in connection with the proper performance of their duties to the Company;
- b. the Company may from time to time authorize them to disclose such information as may be required by them with the condition that they will take all reasonable precautions as may be necessary to maintain the secrecy and confidentiality of all confidential information of the Company; or
- c. they may be required by law to disclose.

Their obligation of confidentiality shall survive termination or cessation of their directorship with the Company.

Additionally, they shall not participate in any business activity which might impede the application of their independent judgment in the best interest of the Company.

#### **16. COOPERATION**

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on I.D.'s part during their Term, they agree to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.