



INDEPENDENT DIRECTORS - TERMS AND CONDITIONS OF APPOINTMENT

Terms and Conditions of Appointment of Independent Directors

[Pursuant to the provisions of Schedule IV to the Companies Act, 2013 (“the Act”) and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 including amendments thereto]

1. Terms of Appointment:

- a. In accordance with the provisions of Section 149, 152 read with Schedule IV of the Companies Act 2013 (“Act”) and any other applicable provisions of the Act and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of the SEBI (Listing Obligation & Disclosure Requirements) (Listing Regulations) (including any amendments thereof for the time being in force), you are appointed as an Independent Director on the Board of the Company with effect from <date of appointment>. The said appointment is subject to the approval of the shareholders at the ensuing Annual General Meeting and will be for a period of 5 years from the date of the ensuing Annual General Meeting. Your appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013, the Rules made there under and the Listing Regulations.
- b. During the tenure of your office, you may be required to serve on one or more of the Committees of the Board as may be established. Your induction to any of the Committees will be considered and approved at the meeting of the Board.

2. Role and Functions

Your role and functions as an Independent Director shall comprise: -

- a. helping 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;
- b. bringing an objective view in the evaluation of the performance of board and management;
- c. scrutinizing the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d. satisfying yourself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
- e. safeguarding the interests of all stakeholders;
- f. balancing the conflicting interests of the stakeholders;
- g. determining 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; and
- h. moderating and arbitrating in the interest of the Company as a whole, in situations conflict between management and shareholder’s interest.

3. Duties

As Independent Director you shall:

- a. undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company;
- b. seek appropriate clarification/information and where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- c. strive to attend all meetings of the Board and its Committees of which you are a member;
- d. participate constructively and actively in the Committees of the Board in which you are a member;
- e. strive to attend the general meeting of the Company;
- f. where you have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that your concerns are recorded in the minutes of the Board meeting;
- g. keep yourself well informed about the Company and the external environment in which it operates;
- h. not unfairly obstruct the functioning of an otherwise proper Board or its Committees;
- i. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same are in the interest of the Company;
- j. ascertain and ensure that the Company has an adequate and functional vigil mechanism and ensure that the interest of a person who uses such mechanism are not prejudicially affected on account of such use;
- k. report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- l. acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees; and
- m. not disclose any confidential information unless such disclosure is necessary in connection with the proper performance of your duties or expressly approved by the Board or required by law.

4. Code of Conduct and Insider Trading

- a. You are prohibited from dealing in the Company's shares during the period when the trading window is closed. Being designated officers of the Company for the purpose of the insider trading guidelines, you need to pre-clear all trades (buy/sell/gift) from the Compliance Officer. You are required to comply with the applicable insider trading laws and regulations.
- b. You are also required to affirm and abide by the Code for Independent Directors or any amendment thereof prescribed by the Schedule IV of the Act and the Code of Conduct for Directors formulated by the Board pursuant to the Listing Regulations.

5. Remuneration:

You will be paid the sitting fees/remuneration as per the criteria mentioned below:

- a. The ID would receive a fee ('Sitting Fee') for attending meetings of the Board or Committees thereof. The quantum of Sitting Fee shall be such as is determined by the Board from time to time;
- b. In addition to Sitting Fee, the Board may also approve payment of performance related commission, which would be within such limit as may be permissible under the Act and as may be approved by the members of the Company.
- c. The ID will be entitled to reimbursement of all expenses properly incurred for participating in the meetings of the Board, its Committees and other meetings.
- d. All payments for services rendered are subject to income tax and other statutory deductions and requirements. Further you shall not be entitled to any Stock Option, unless permitted under the provisions of the Act.

6. Professional Conduct

As an Independent Director you shall: -

- a. uphold ethical standards of integrity and probity;
- b. act objectively and constructively while exercising your duties;
- c. exercise responsibilities in a bonafide manner in the interest of the Company;
- d. devote sufficient time and attention to your professional obligations for informed and balanced decision making;
- e. not allow any extraneous considerations that may vitiate your 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 your position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- g. refrain any action that would lead to loss of your independence;
- h. if circumstances arise under which you may lose your independence, you will immediately inform the Board; and
- i. assist the Company in implementing the best corporate governance practices.

7. Conflict of Interest

Your holding of directorships of other organizations, shall not give rise to any conflicts of interests in relation to your appointment as an Independent Director of the Company. Should you become aware of any conflict or potential conflict during your appointment, you are expected to notify the same to the Board. Apart from the applicable law and good corporate governance practices, there are no other additional limitations. You shall disclose to the Board, any material interest you may have in any transaction or arrangement that the Company may enter into with any entity. Such interest should be disclosed by you immediately when such transaction or arrangement comes up at any meeting of Directors, so that your interest can be appropriately recorded in the minutes.

8. Liability/Indemnity

The Company maintains a Directors & Officers insurance policy to cover the personal liability of directors for claims made against them while serving on the Board/Committee of the Company. However, as an Independent Director you will be liable in respect to such acts of omission or commission by the Company which occur with your knowledge, attributable through Board processes and with your consent or connivance or where you had not acted diligently.

9. Disqualifications

The Company is at liberty to disengage your services earlier subject to compliance of relevant provisions of the Act, Rules made thereunder and the Listing Agreement.

During your association as an Independent Director of the Company, you are requested not to associate yourself as a Director or as an advisor or in any other ways with any of our competing companies, which could be of detrimental interest to our Company. You may consult with us while deciding the competitive nature of any company with our Company before associating.

As an Independent Director, you are expected to bring objectivity and independence of view to the Board's discussions and 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

10. Termination

- a. ID may resign from his position at any time by serving a reasonable written notice on the Board stating out the reason for resignation. Further, appointment of ID may be terminated in accordance with applicable law.
- b. Continuation of appointment of ID is contingent on his/her willingness to continue as an ID, and getting re-appointed by the shareholders in accordance with applicable law. ID will not be entitled to compensation in case the shareholders of the Company do not re-appoint him/her at any time.
