

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

The relationship of the Independent Director with the Company is that of an office holder and not one of contract for employment in the Company.

The terms and conditions of appointment of the Independent Directors of the Company are subject to the applicable provisions of the Companies Act, 2013 ('the Act') (as amended from time to time) read with Rules made thereunder and Schedule IV thereto and as per the Articles of Association of the Company.

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

**1. Term**

The appointment of Independent Directors will be in accordance with the provisions of the Companies Act, 2013 and for a period as mentioned in the resolution passed for their appointment.

During their tenure as Independent Directors, they are required to submit a declaration at the beginning of every Financial Year under Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of Independence as set out in the Companies Act, 2013.

In compliance with the provisions of Section 149(13) of the Companies Act, 2013, their directorship is not subject to retirement by rotation.

During their term as Independent Directors of the Company, the number of companies in which they can hold office as Director and/or Chairman/ Committee member shall not exceed the limit stipulated under the Act.

During their term, they shall ensure that they do not get disqualified to act as a Director pursuant to the provisions of Section 164 of the Act.

They shall ensure compliance with other provisions of the Act as are applicable to them as an Independent Director.

**2. Committees**

The Board of Directors (the Board) may, if it deems fit, invite them for being appointed in one or more existing Board Committees or any such Committee that may be set up in the future. Their appointment on such Committee(s) will be subject to the applicable regulations.

Consequent upon their appointment to one or more Committees, the Independent Directors will be provided with the terms of reference of the relevant Committee.

### **3. Time Commitment**

The Independent Directors are expected to bring objectivity and independence of view to the Board's deliberations and to help the Board with effective overview of the Company's strategy, performance, social commitments and risk management and ensure high standards of financial integrity and governance. They are required to perform the duties expected from the Independent Directors including (without limitation) attending Board/ Committee meetings of which they are a member and shareholders meetings and to devote such time, as appropriate, for them to discharge their responsibilities and duties effectively.

### **4. Role and Duties**

Their role and duties will be those which are normally required of a Non-Executive 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 the same are specified under Section 166 of the Act.

In addition to the above requirements, they are also required to discharge the duties, roles and functions as applicable to Independent Directors as stated under Schedule IV to the Act (as may be amended from time to time).

### **5. Responsibilities**

Their role shall be to effectively represent and promote the interests of shareholders with a view to add long-term value to the Company by contributing to the following:

- (i) establishing policies for strengthening the performance of the Company including ensuring that management is proactively seeking to build the business through innovation, initiative, technology, and the development of its business capital;
- (ii) deciding on whatever steps are necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
- (iii) ensuring that the Company's financial statements are true and fair;
- (iv) ensuring that the Company adheres to high standards of ethics and corporate behavior; and
- (v) ensuring that the Company has appropriate risk management/ regulatory compliance policies in place.

However, in the normal course of events, day to day administration of the Company is left to the Management.

## **6. Code of Conduct for Independent Directors**

All the Independent Directors are required to abide by the Code for Independent Directors as prescribed in Schedule IV to the Companies Act, 2013.

## **7. Professional Conduct and Conflict of Interest**

- (i) Independent Directors are also required to ensure that they do not participate in or vote at any meetings of the Board/Committees wherein they are an interested director;
- (ii) Independent Directors shall not achieve or attempt to achieve any undue gain or advantage either for themselves or for their relatives, partners, or associates;
- (iii) Independent Directors shall not allow any extraneous considerations to vitiate their exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring with or dissenting from the collective judgment of the Board in its decision making;
- (iv) Independent Directors shall not abuse their position to the detriment of the Company or its shareholders;
- (v) Independent Directors shall not unfairly obstruct the functioning of the Board or Committee meeting(s);
- (vi) Independent Directors shall not put themselves in a position which results in a direct or indirect conflict of interest or possible conflict of interest with the Company; and
- (vii) Independent Directors shall not assign their office of an Independent Director and any assignments so made shall be void.

## **8. Disclosures of Interest**

- (i) It is accepted and acknowledged that Independent Directors may have business interests other than those of the Company. As a condition of their appointment, they are required to submit various disclosures/ declarations under applicable laws and as per Company's policies including declarations with respect to any directorships, appointments and interests to the Board in writing. In no event they shall hold directorship in companies beyond the limits specified in Section 165 of the Act;
- (ii) During the term of their appointment, Independent Directors agree to promptly notify the Company of any change in their directorships and provide such disclosure and information as may be required under the applicable laws; and
- (iii) Independent Directors shall refrain from any action that would lead to loss of their independence. In the event that their circumstances seem likely to change which might give rise to conflict of interest or such change in their circumstances

could lead the Board to revise its judgment regarding their independence, such changes or possible changes in their circumstances should be disclosed to the Board promptly.

## **9. Induction and Development**

The Company shall, if required, conduct formal induction program for its Independent Directors.

## **10. Performance Evaluation**

The performance of the member of the Board shall be evaluated on an annual basis. The performance evaluation of Independent Directors shall be done by the entire Board, excluding the director being evaluated. The continuation/ re-appointment of Independent Directors on the Board shall be subject to the outcome of the annual evaluation process.

## **11. Independent Directors Meeting**

A separate meeting of the Independent Directors will be held at least once in a Financial year without the attendance of the non-independent directors and the members of the management. The Company expects all the Independent Directors to strive to be present at this meeting.

The meeting shall:

- i. review the performance of non-independent directors and the Board as a whole,
- ii. review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors.
- iii. assess the quality, quantity and timelines of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## **12. Liability under the Act**

Pursuant to the provisions of the Act, an Independent Director will be liable only in respect of such omission or commission by the Company which had occurred with his/ her knowledge, attributable through Board processes and with his/her consent or connivance or where he/ she had not acted diligently.

## **13. Remuneration**

They may be paid such remuneration by way of sitting fees for attending the meetings of the Board and the Committees as may be decided by the Board from time to time, subject to approval of

the shareholders, if required, as per provision of the Companies Act, 2013.

Further, the Company may pay or reimburse to them, the expenditure that has been incurred by them while performing their role as Independent Directors of the Company.

They shall not be entitled to any stock options

#### **14. Termination**

The Company may disengage Independent Directors prior to completion of the term subject to compliance of relevant provisions of the Act.

Independent Director may resign from the Directorship of the Company by giving a notice in writing to the Company stating the reasons for his resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified in the notice, whichever is later.

If at any stage during their term, there is a change that may affect their status as an Independent Director as envisaged under Section 149(6) of the Companies Act, 2013, they shall promptly submit their resignation to the Company with effect from the date of such change.

#### **15. Confidentiality**

All information acquired by the Independent Directors during their tenure is confidential to the Company and should not be released, either during their tenure or following termination (by whatever means) to third parties without prior clearance from the Chairman, unless required by law or rules of any regulatory body. If any confidential information is required to be disclosed by them in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure shall be made by them, to the extent possible, with the prior consent of the Board.