

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

(Section 149 read with Schedule IV of the Companies Act, 2013 & Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015)

### **1. APPOINTMENT**

In accordance with the provisions of the Companies Act, 2013 ("the Act") and other applicable laws, the Independent Directors shall serve as an Independent Director as decided by the Board subject to approval of shareholders.

An Independent Director shall not be liable to retire by rotation and the appointment is subject to the approval of shareholders at the ensuing General Meeting of the Company.

In terms of the provisions of the Act, the Independent Directors may be eligible to serve as an Independent Director for a term of up to five years and may be re-appointed for a further period of five years, subject to the recommendation of the Nomination and Remuneration Committee, Board of Directors and passing of resolution by the shareholders of the Company.

The terms of the appointment of Independent Directors, are subject to the provisions of the (i) applicable laws, including the Act and the Listing Regulations (as amended from time to time) and (ii) Articles of Association of the Company ("AOA").

### **2. ROLE AND RESPONSIBILITIES OF INDEPENDENT DIRECTORS**

As a member of the Board, the Independent Directors along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- (a) Compliance of the requirements under the Companies Act, 2013,
- (b) Responsibilities of the Board as outlined in the Listing Regulations,
- (c) Accountability under the Directors' Responsibility Statement.

The Independent Directors shall abide by the "Code for Independent Directors" as outlined in Schedule IV to Section 149(8) of the Act, and the duties of directors as provided in the Act including the provisions of Section 166 and in Regulation 4(2)(f) of the Listing Regulations.

The Independent Directors shall provide advice and guide and in their area of expertise.

#### **a. Role of Independent Director:**

The Independent Director shall

- (a) 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;
- (b) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (c) balance the conflicting interest of the stakeholders;
- (d) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between Management and shareholder's interest.

#### **b. Duties as an Independent Director:**

The Independent Directors shall, inter alia, perform following duties

- (a) undertake the appropriate induction into the Board and regularly update and refresh the skills, knowledge and familiarise the same with the Company;
- (b) seek appropriate clarifications and, where necessary, seek and follow appropriate professional advice from external experts at the expense of the Company;

- (c) strive to attend every meeting of the Board and of the Board committees where the Independent Director is a chairperson or member;
- (d) actively and constructively participate in the Board and Committees of the Board in which the Independent Director is a chairperson or member;
- (e) strive to attend the general meetings of the Company;
- (f) ensure that any concerns that 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 well informed about the Company and the external environment in which it operates;
- (h) ensure that related party transactions are considered carefully before they are approved and are in the interest of the Company;
- (i) ensure that the whistle blower function of the Company is functioning appropriately and adequately;
- (j) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics;
- (k) within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- (l) not disclose any confidential information unless such disclosure is expressly approved by the Board or required by law.

**c. Functions of the Board of Directors:**

Key functions of the Independent Directors in the Board of Directors

- (a) monitoring the effectiveness of the listed entity's governance practices and making changes as needed.
- (b) selecting, compensating, monitoring and when necessary, replacing key managerial personnel and overseeing succession planning.
- (c) ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors.
- (d) monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
- (e) overseeing the process of disclosure and communications.
- (f) monitoring and reviewing board of director's evaluation framework.

**3. PROFESSIONAL CONDUCT FOR INDEPENDENT DIRECTORS**

The Independent Director shall

- (a) uphold ethical standards of integrity and probity;
- (b) act objectively and constructively while exercising the duties;
- (c) exercise responsibilities in a bona fide manner in the interest of the Company;
- (d) not abuse the position which is detrimental to the interest of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) refrain from any action that could lead to a loss of independence;
- (f) ensure that if circumstances arise under which the Independent Director may lose your independence, the same shall be immediately informed to the Board promptly;
- (g) assist the Company in implementing the best corporate governance practices.

**4. BOARD COMMITTEES**

In accordance with the provisions of the Act, during the tenure of office, the Independent Directors may require to serve on the Committees of the Board.

**5. CODE OF CONDUCT**

The Independent Director of the Company agrees to comply with the Code of Conduct as Non-Executive Directors (NEDs).

All information acquired during the tenure of the appointment is confidential information of the Company and should not be released, communicated, nor disclosed either during your appointment or following termination (by whatever means), to third parties without prior approval from the Company.

The Independent Directors shall note the applicability of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct on Prevention of Insider Trading, prohibiting communication or use of unpublished price sensitive information. The Independent Directors are classified as a designated person of the Company and hence, are prohibited from dealing in the Company's securities during the period when the trading window is closed.

The trading window shall be closed for the under mentioned purposes:

- (a) Declaration of financial results;
- (b) Declaration of dividend(s);
- (c) Change in capital structure;
- (d) Mergers, de-mergers, acquisitions, delisting, disposals and expansions of business and such other transactions;
- (e) Changes in Key Managerial Personnel; and
- (f) Material events in accordance with the Listing Regulations.

The time for commencement of closure of trading window shall be decided by the Company.

The trading window shall be opened 48 hours after the information referred to above become generally available.

Further, for the purpose of compliance with insider trading regulations, it is required to disclose to the Company the number of shares acquired or disposed of within two trading days of such transactions, in case the value of the securities traded whether in one transactions or a series of transactions over any calendar quarter, aggregates to a traded value in excess of ten lakh rupees or such other value as may be specified.

## **6. REMUNERATION AND REIMBURSEMENT OF EXPENSES**

Independent Directors may be paid sitting fees as may be decided by the Board of Directors of the Company for attending the meetings of the Board or Committee(s).

Further, the Independent Directors may be reimbursed the expenses incurred by them towards travel for attending the meetings or such other expenses subject to approval of the Board.

## **7. PERFORMANCE APPRAISAL OR EVALUATION PROCESS**

The Board evaluates the effectiveness of its functioning, that of the Committees and of individual Directors. The Board, through Nomination and Remuneration Committee seeks feedback of Directors on various parameters such as:

- (a) Participation and attendance in Board and Committee Meetings actively and consistently;
- (b) Preparation for the Board and committee meetings;
- (c) Contribution to strategy and other areas impacting company's performance;
- (d) Experience and credibility to bear on the critical areas of performance of the organization;
- (e) Updated knowledge, areas of expertise and other important areas;
- (f) Active participation in the discussions, helping others to contribute constructively in the discussions and consensus oriented;
- (g) Helps the company wherever possible to resolve issues, if any,
- (h) Ethical manners or behaviours of the directors.

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

In case the Independent Director become aware of any potential conflict of interest with his or her position as Director of the Company, he or she shall promptly disclose the same to the Key Managerial Personnel of the Company and provide such other disclosures and information as may be required under the applicable laws.

Upon any change in circumstances which may affect your status as an Independent Director, it shall be promptly intimated as per the provisions of Section 149(7) of the Act.