



THE TERMS OF APPOINTMENT OF INDEPENDENT DIRECTOR

Role and Duties:

An Independent Director shall:

- a. act in accordance with the Company's Articles of Association;
- b. 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;
- c. discharge duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
- d. not be involved in situations of conflicts or possible conflicts with the interest of the Company;
- e. not achieve or attempt to achieve any undue gain or advantage either to self or to their relatives, partners or associates;
- f. not assign their office as Director and any assignment so made shall be void.
- g. shall abide by the 'Code of Independent Director' as outlined in Schedule IV to Section 149 (8) of the Companies Act, 2013 and duties of Directors as provided in the Companies Act, 2013 (including Section 166)
- h. shall be responsible for providing guidance in the area of your expertise.

In case an Independent Director so desire, Company would provide support to help familiarize an Independent Director with the relevant duties and obligations.

Committees:

The Board of Directors may invite an Independent Director for being appointed or reappointed on one or more existing Board Committees or any such Committee that may be set up in future.

Attending meetings by other means:

An Independent Director may give his/her consent by advance notification to the Chairman or Company Secretary to participate in any meeting(s) of the board or committee thereof, when necessary, through video conferencing or other audio-visual means in accordance with the

provisions of the Act.

Code of Conduct and ethics:

An Independent Director will follow the Company's Code of Conduct and ethics.

An Independent Director will apply the highest standard of confidentiality and not disclose to any person or company either during the course of the tenure as an Independent Director or following cessation, any confidential information concerning the Company and Group Companies with which the Independent Director come into contact by virtue of their position as a director except as permitted by law or with prior clearance from the Chairman or Company Secretary of the Company.

Expectation of the Board:

- a. The Board expects Independent Director's active participation by providing vision and expert direction which will enable the company to achieve excellent performance and growth.
- b. Independent Director may be required to serve on one or more committees of the Board. Any such appointment will be covered in a separate communication.
- c. It is expected that taking into account all other commitments the Independent Director will devote sufficient time to their duties as a non-executive independent director.

Directors' Fees and Reimbursement of Expenses:

An Independent Director shall be entitled to receive sitting fees of Rs. 10,000/- for attending each meeting of the Board and Committees of the Board in which they are a member subject to the provisions of Section 197 of the Act.

Further, an Independent Director, may also be paid commission as may be recommended by the Board of Directors of the Company, within the overall ceiling limits approved by the Shareholders from time to time in accordance with the provisions of section 197 of the Act.

In addition to the sitting fees and commission described above, the Company shall reimburse for the expenses incurred by Independent Director for travel, hotel and other incidental expenses in the performance of their role and duties.

An Independent director shall not be entitled to any stock option.

Performance Appraisal / Evaluation Process:

As a member of the Board, the performance of Independent Director as well as the performance of the entire Board and its Committees will be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be 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.

Disclosures, other directorships and business interests:

During the Term, an Independent Director shall 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. An Independent Director shall also agree that upon becoming aware of any potential conflict of interest with their position as Independent Director of the Company, the Independent Director shall promptly disclose the same to the Chairman and the Company Secretary.

During the Term, the Independent Director shall agree to promptly provide a declaration under Section 149(7) of the 2013 Act and other applicable laws confirming that the Director meet the criteria of independence and that the Independent Director is are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence. This declaration shall be submitted at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect their status as an Independent Director.

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent Directors. Adherence to these standards by independent Directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent Directors.

I. Guidelines of professional conduct:

An independent director of the Company shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a bona fide manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his 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;
- (6) not abuse his 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;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent Directors shall:

- (1) 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;

- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial control and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) 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;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

The independent Directors shall:

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they 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 their concerns are recorded in the minutes of the Board meeting;

- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

IV. Manner of Appointment:

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (3) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or Removal:

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director at the earliest but not later than the immediate next meeting of the board of directors or within three months from the date of such resignation or removal (whichever is later), as the case may be.
- (3) Where the company fulfils the requirement of independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

- (1) The independent Directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent Directors and members of management;
- (2) All the independent Directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
 - 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.

VIII. Evaluation mechanism:

- (1) The performance evaluation of independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.