



## **Terms and Conditions**

### **Appointment of Independent Directors**

#### **Terms and conditions of appointment of Independent Directors of the Company in accordance with the requirements of Schedule IV to the Companies Act, 2013**

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#### **Terms and conditions of appointment of Independent Directors:**

##### **1. Appointment**

In accordance with the provisions of the Companies Act, 2013, and other applicable laws, an Independent Director shall serve on the Board of the Company for a term up to the 5 (five) years. No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director:

##### **2. Board Committees**

As advised by the Board, during the tenure of the office, an Independent Director may be required to serve on one or more Committees of the Board constituted by the Company. Upon the appointment of an Independent Director to any one or more Committees, he shall be provided with the functions of that specific Committee.

The chairperson of the Board, in consultation with the company secretary and the committee chairperson shall determine the frequency of the committee meetings. Recommendations of the committee shall be submitted to the Board for approval. The quorum of the meetings shall be one third of the members of the committee, minimum being two.

##### **3. Professional Conduct.**

An Independent Director shall:

- uphold ethical standards of integrity and probity;
- act objectively and constructively while exercising their duties;
- exercise their duties in a *bona fide* manner in the interest of the Company;
- devote sufficient time and attention to their professional obligations for informed and balanced decision-making;
- not allow any extraneous considerations that may vitiate their 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;

- not abuse their 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;
- refrain from any action that could lead to a loss of their independence;
- immediately inform the Board of the circumstances arouse/to arise due to which they may lose their independence;
- assist the Company in implementing the best corporate governance practices

#### **4. Functions / Responsibilities and Duties**

##### **Functions/ Responsibilities**

- help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, annual financial plan, resources, key appointments and standards of conduct;
- bring an objective view in the evaluation of the performance of the Board and management;
- scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- satisfy themselves on the integrity of financial information and legal compliance and that financial controls are robust and defensible;
- safeguard the interests of all stakeholders, particularly the minority shareholders;
- balance the conflicting interests of the stakeholders and management;
- determine appropriate levels of remuneration of executive directors, key managerial personnel (if any) and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel (if any) and senior management;
- moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest;
- advice and counsel the management on various other issues presented by them

##### **Duties**

An Independent Director shall -

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;



- 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;
- strive to attend all meetings of the Board of Directors and its committees of which they are a member;
- participate constructively and actively in the committees of the Board in which they are chairperson or member;
- strive to attend the general meetings of the Company;
- where they are concerned 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;
- keep themselves well informed about the Company and the external environment in which it operates;
- not obstruct unfairly the functioning of an otherwise proper Board or its committee;
- 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;
- ascertain and ensure that the Company has an adequate and functional vigil mechanism ('whistle blower policy') and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct and ethics;
- acting within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans and such other information, unless such disclosure is expressly approved by the Board or as required by law.

## **5. Fees**

Pursuant to the Companies Act, 2013, the remuneration payable by the Company to all its non-executive/independent directors shall not exceed one per cent of the net profits of the Company, if there is a managing or whole-time director or manager.

An Independent Director shall be paid sitting fees, as decided by the Board, for the Board and Committee meetings attended by them. The Company shall hold atleast four Board Meetings every year, one in each quarter. The Committee meetings shall be held based on the exigency of the business to be transacted but atleast one meeting in a year. An



Independent Director shall strive to attend all the Board and Committee meetings including the general body meetings and independent directors' meeting.

An Independent Director are entitled to reimbursement of travel expenses that may have incurred for attending various meetings of/for the Company not limiting to Board, Committee and general meetings. They are requested to submit the memo of expenses incurred by them supported by the required documents to the Company. This shall include accommodation expense and other out of pocket expenses incurred during the days of the meetings.

## **6. Membership of other boards**

An Independent Director is expected not to serve on the board or committees of competing companies during their association with the Company. Apart from the law and good corporate governance practice, there are no additional restrictions.

## **7. Information on meetings**

### **Scheduling and selection of agenda items for Board meetings**

The Chairman and Company Secretary of the Company in consultation with the Executive Directors and senior management personnel of the Company shall draft the agenda for each meeting, along with explanatory notes, and distribute it in advance to the Board members. Every Board member is free to suggest the inclusion of items on the agenda.

### **Availability of information to the Board**

The Board has full and unfettered access to any information of the Company, and to any employee of the Company. At the Board or Committee meetings, they may invite manager of respective departments of the Company when additional details into the items being discussed are required.

### **Independent directors' discussion**

Pursuant to the Companies Act, 2013, there shall be atleast one meeting in a year comprising of 'independent directors only' so that they can have full and frank discussion on the performance of the Company, risks faced by the Company, and performance of executive members of the Board including the chairperson. The chairman of this meeting



may invite any executive directors or senior management personnel to present detailed information before them on relevant issues.

#### **8. Mechanism for evaluating Board members**

The Chairperson of the Nomination and Remuneration Committee shall conduct an annual Board evaluation to assess the performance of the Board as a whole and that of an individual member. Performance is assessed based on clearly defined objective criteria. Performance is measured against commitments and best-in-class benchmarks.