

## **Terms & Conditions for appointment of independent Directors:**

### **1. Tenure:**

An Independent Director is appointed for a term up to five consecutive years. However He may resign by giving a notice in writing to the Company at any time and, in such case resignation shall take effect from the date on which notice is received by the Company or the date specified in the notice, whichever is later.

### **2. Independence:**

An Independent Director is expected to continue to be qualified as 'independent' during their tenure and He shall provide periodic declaration to the effect as required by regulations.

### **3. Committees Membership:**

An Independent Director may be required to serve on one or more of the Committee of the Board. Further the Board may reconstitute any/all Committee of the Board and any such change will be properly communicated to him.

### **4. Remuneration & Expenses**

An Independent Director will be entitled to sitting fee, as may be approved by the Board, for attending each Board Meeting and for attending each Committee Meeting. He will be reimbursed for all expenses incurred for participation in Board and other meetings.

### **5. Expectation of the Board**

**It is expected that Directors have following personal and professional characteristics:**

- High ethical standards and integrity in their personal and professional dealings.
- A willingness to act upon and remain accountable for their boardroom decisions.
- Wise and thoughtful counsel to the Board and management on a broad range of issues.
- Depth of knowledge to understand and question the assumptions upon which the strategic and business plans are based.
- A reasonable level of financial literacy (know how to read financial statements and understand the use of financial ratios).
- Respect for confidentiality.
- Willingness to be available as a resource to management and the Board.
- Respect for others.

**Individual directors are also expected to:**

- Prepare to discuss the issues and business placed on the agenda for each Board and committee meeting.
- Maintain an excellent attendance record in Board and Committee meetings.
- Participate fully and frankly in Board deliberations and discussions.
- Demonstrate willingness to listen to others' opinions and consider them.
- Be willing to raise tough questions in a manner that encourages open discussion.
- Establish an effective, independent and respected presence on the Board and a collegial relationship with other directors.
- Maintains the confidentiality of discussion occurring at all Board meetings and Committee meetings, if matters require so.
- Focus inquiries on issues related to strategy, policy and results rather than day to day issues of corporate management.
- Think, speak and act independently.
- Become knowledgeable about the duties, purpose and goals of each committee, in which he is a member.

- Become knowledgeable about business of the Company and the industry, it operates in.
- Maintain a current understanding of the regulatory, legislative, business, social and political environments in which the Company operates.
- Visit Company's office when appropriate.
- Accepts and actively supports all actions taken by the majority of the Board of Directors.

An Independent Director will be expected to participate actively in:

- all Board meetings,
- all meetings of Committees of the Board in which he is a member,
- all Annual General Meetings & Extra-ordinary General Meetings.

## **6. Role & Duty of Director**

Their duties shall be those normally required by a Non-Executive Independent Director under the Companies Act, 2013 and the listing agreements.

### **6.1 Fiduciary duties of a Director:**

#### **➤ Duty of Care (the duty to pay attention and to try to make good decisions)**

Directors have the duty to make decisions with reasonable care. The duty of care requires directors to make a business decision based on all available and material information and to act in a deliberate and informed manner.

He must act in good faith for the company's and its shareholders' best interest. He has to show up, pay attention, and make a decision that is not completely irrational.

#### **➤ Duty of Loyalty**

The duty of loyalty imposes on the board an affirmative duty to protect the interests of the corporation, and also an obligation to refrain from conduct which would injure the corporation and its shareholders. The concept is "the decision makers within the company should act in the interests of the company and not in their own interests". The easiest way to comply with this duty is not to engage in transactions that involve a conflict of interest. Directors are required to have an absence of personal financial interest in the matters before them.

Although once void or voidable under existing laws, today transactions that present conflicts of interest are not necessarily viewed as inherently improper; rather, It is the manner in which an interested director and the board deal with a conflict that determines the propriety of the transaction and of the director's conduct.

#### **➤ There are certain duties prescribed in Companies Act, 2013 for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:**

- He shall act in accordance with the articles of the company.
- He shall 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.
- He shall exercise His duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- He shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- He shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such

director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.

#### **4. Liability of non-executive / Independent Directors**

An independent director not being promoter or key managerial personnel, shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

#### **5. Disclosures, other directorships and business interests**

During the Term, an Independent Director agrees to promptly notify the Company about any change in his directorships, and provide such other disclosures and information as may be required under the applicable laws. He also agrees that upon becoming aware of any potential conflict of interest with his position as Independent Director of the Company, he shall promptly disclose the same to the Chairman and the Company Secretary.

During His term, He shall promptly provide a declaration under Section 149(7) of the Companies Act, 2013 every year and upon any change in circumstances which may affect his status as an Independent Director. He shall make/give to the Company all disclosure/notice required to be made by a Directors, pursuant to any existing laws for the time being in force.

#### **6. Code of Business Ethics/Conduct:**

An Independent Director shall be abide by code of Conduct & Code of Insider Trading of the Company, Code for Independent Directors as prescribed in schedule IV of the Companies Act, 2013 and other applicable such codes/policies of the Company.

#### **7. Inclusive List of actions that a director should not do while functioning as such in the company:**

An Independent Director shall not

- (i) Misuse the information in his possession.
- (ii) Engage in any way with our competitors
- (iii) In any way indulge in activities which may be construed as conflict of interest.
- (iv) Break any law of the land or indulge or provoke the co-directors or employees to do the same.
- (v) Assign office of Director.