



## **TERMS FOR APPOINTMENT OF THE INDEPENDENT DIRECTORS OF PG ELECTROPLAST LIMITED**

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### **1. APPOINTMENT:**

The Appointment of Independent Directors is for a term of five (5) consecutive years. As an Independent Director, the provisions for retirement by rotation at each Annual General Meeting shall not apply.

### **2. RESPONSIBILITIES:**

- a) An Independent Director may be requested to perform such duties at such times as may be reasonably requested and comply with such reasonable directions as may be given by the Board from time to time; this will include service on such Board Committees to which an independent director may be appointed by the Board. Time commitment of an independent director to the Board will include (but not be limited to) devoting appropriate time in advance to prepare for Board Meetings and attending Board meetings, Board Committee meetings and General Meetings of the Company's shareholders. Such meetings are expected to be held generally in Delhi. The terms of reference for each of the Board Committees will be made available by the Company Secretary.
- b) An Independent Director of the Company will owe certain duties to the Company and to the investors.
- c) The Board expects an independent director to perform the duties, whether statutory or fiduciary faithfully, efficiently and diligently to a standard commensurate with both the functions of your role as an Independent Director and knowledge, skills and experience.
- d) The Independent Directors is requested to acquaint yourself with the Company's operations and businesses and update themselves regularly.
- e) The Independent Director will exercise the powers in their role as an Independent Director having regard to the relevant obligations under prevailing law including Companies Act, 2013, SEBI (LODR), 2015 as amended from time to time.
- f) Upon acceptance of the appointment as an Independent Directors, they confirm that they are able to devote sufficient time to meet the expectations of your role.
- g) They agree, during their appointment as an Independent Director under the letter and after its termination, to observe strict secrecy as to the affairs and dealings of the Company and any subsidiary, affiliated or related party of the Company ("Related Party"), or any stakeholder of the Company. Furthermore, they agree:



- i. During their appointment (except in the proper and normal performance of your duties as an Independent Director) or at any time after completion of their tenure to not make use of or divulge to any person, any confidential information relating to the Company, any Related Party or any stakeholder of the Company without the prior written consent of the Board; and
  - ii. During their appointment to use all reasonable endeavors to prevent the publication or disclosure of any confidential information relating to the Company, any Related Party or any stakeholder of the Company.
- h) They shall also abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013, and duties of directors as provided in the said Act.

### **3. LIABILITIES:**

- a) Though the Board as a whole is collectively responsible for promoting the success of the Company by directing and supervising its affairs in a responsible and effective manner, in the capacity as an Independent Directors they will be held liable in respect of such acts of omission or commission by a company which had occurred with their knowledge, attributable through Board processes and with their consent or connivance or where they have not acted diligently.
- b) Any breach of duties by the Independent Directors may expose them to penal consequences as specified under the Companies Act, 2013 or any applicable law in force.

### **4. FEES AND EXPENSES:**

- a) In consideration for their services as Independent Directors, their remuneration will comprise of a sitting fee for Board/ Committee Meetings.
- b) The sitting fees for the Board and Committee meetings shall be as may be determined by the Board. Provided that the sitting fees for each Board/Committee meeting shall be subject to the provisions of Companies Act, 2013 read with applicable rules and as per the Company's Memorandum and Articles of Association.
- c) Director's Fees are reviewed from time to time by the Board.
- d) During the appointment of Independent Director, the Company will reimburse to them all reasonable expenses properly incurred by them in connection with their appointment, subject to the production of the relevant invoices or receipts.



- e) On cessation of appointment they shall only be entitled to such fees as may have accrued up to date of cessation, together with reimbursement as may have accrued up to date of cessation, together with reimbursement in normal way of any expenses properly incurred prior to that date.
- f) They are not entitled for any compensation for loss of office as an Independent Director, or as consideration for retirement/ resignation from such office or in connection thereto.
- g) The fees payable will be subject to tax and statutory deductions or levies.

## **5. INDUCTION:**

Where they so require, the Company Secretary shall arrange for them to participate in an induction program that includes:

- meetings with major shareholders;
- meetings with members of senior management;
- visits to key premises and branches; and
- an induction pack of information concerning the Company, its constitution, relevant laws and regulations.

## **6. CONFLICTS OF INTEREST (AND INDEPENDENCE);**

- a) By acceptance of their appointment, they confirm that, apart from those interests disclosed in writing to the Board, they have no existing causes of likely conflict of interest with the business of the Company. In particular, they confirm that they do not serve as a Director of any company in any jurisdiction which carries out any activities which compete with any business carried on by the Company. They are required to immediately disclose any such conflict or potential conflict to the Chairman/ Managing Director / Company Secretary, immediately.
- b) During their appointment they may not, without the prior agreement of the Board, accept a Directorship of a Company that is, or provide their services to any person who is, a competitor of the Company. The Board's consent will not be granted if such appointment or involvement would, in the opinion of the Board, conflict with or be likely to interfere with your appointment as an Independent Director.
- c) They acknowledge that they shall be appointed as an Independent Director within the meaning understood by the Company and they warrant and represent on a continuing basis that there are no other circumstances which could affect their status as an Independent Director. In particular, they warrant and represent on a continuing basis that:

- they have not been an employee of the company or group within the last five years;
- they have or had, within the last three years, any material business relationship with the company, either directly or as partner, shareholder, director or senior employee of a body that has such a relationship with the company;
- they have not received, in the last three years, additional remuneration or payments from the company apart from a director's fee, participated in the company's share option, or a performance-related pay scheme, or is a member of the company's pension scheme;
- they have not been a director, partner or employee of a firm which is the company's auditor;
- they do not have close family ties with any of the company's advisors, directors or senior employees;
- they do not hold cross directorships or has significant links with other directors through involvement in other companies or bodies; or
- they do not represent a significant shareholder.

(Where so requested, they will sign a declaration confirming your independence according to the criteria set out above)

## **7. TERMINATION:**

- a) Subject as set out in clause a), their appointment will be for an initial period of 5 years and also as per applicable provisions of the Company Act, 2013 unless terminated by either party giving to the other notice in writing.
- b) the Company may end their appointment immediately (without entitlement to notice, pay in lieu of notice or compensation) in the following cases:
  - i. where any of the warranties or representations set out in the appointment letter cease to be accurate;
  - ii. where they hold in their personal capacity or as a representative of any corporate person the position of Board Member with any other competitor of the Company in India, or, without the prior consent of the Board, they are appointed to the Board of Directors of any other competitor of the Company in any jurisdiction;
  - iii. they incur any disqualifications specified under section 164 of the Companies Act, 2013 or any other provisions contained therein, or by virtue of an order of the Court/ Tribunal of competent jurisdiction in any proceeding unless an appeal is preferred by them against the order of the Court / Tribunal.
  - iv. they breach the terms of the appointment letter;
  - v. they are otherwise prohibited by law from acting as a director.

**8. CONFIDENTIALITY:**

They acknowledge the need to hold and retain company information (in whatever format you may receive it) under appropriately secure conditions.

Their attention is drawn to the requirement under both law and regulation regarding the disclosure of price sensitive information and in particular to SEBI (Prohibition of Insider Trading) Regulations, 1992, read with the amendments from time to time on insider dealing. They should avoid making any Statements that might risk a breach of these requirements. If in doubt, please contact the Company Secretary.

**9. JURISDICTION:**

Their engagement with the Company is governed by and shall be construed with the laws of India and their engagement shall be subject to the jurisdiction of the National Company Law Tribunal / Courts in India.