

## TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

[Pursuant to the provisions of Schedule IV to the Companies Act, 2013]

The broad terms and conditions of appointment of Independent Directors is reproduced hereunder:

### **1. Appointment**

In accordance with the provisions of the Companies Act, 2013 and other applicable laws, the Independent Director will serve for a period of five years or up to age of retirement, whichever is earlier.

### **2. Expectation of the Board**

The independent directors shall:

- i. 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;
- ii. bring an objective view in the evaluation of the performance of board and management;
- iii. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- iv. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- v. safeguard the interests of all stakeholders, particularly the minority shareholders;
- vi. balance the conflicting interest of the stakeholders;
- vii. 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;
- viii. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

### **3. Board Committees**

As decided by the Board of Directors ('Board'), during the tenure of office, the Independent Director may be required to serve on one or more Committees of the Board.

### **4. Fiduciary duties and accompanying liabilities**

The Independent Director shall:

- i. 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;
- ii. strive to attend all meetings of the Board of Directors and of the Board committees of which the Independent Director is a member;
- iii. participate constructively and actively in the committees of the Board in which the Independent Director is chairpersons or members;
- iv. strive to attend the general meetings of the Company;
- v. where the Independent Director has 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;
- vi. keep himself/ herself well informed about the company and the external environment in which it operates;
  - vii. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
  - viii. 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;
  - ix. 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;
  - x. report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
  - xi. act within the authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
  - xii. 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.

## **5. D & O Insurance**

The Company has a Directors' and Officers' Liability Insurance.

## **6. Business Code of Conduct**

The Independent Directors are expected to fully abide by the Company's Business Code of Conduct.

## **7. Professional Conduct**

The Independent Directors shall:

- i. uphold ethical standards of integrity and probity;
- ii. act objectively and constructively while exercising his duties;
- iii. exercise his responsibilities in a bona fide manner in the interest of the company;
- iv. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- v. 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;
- vi. 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;
- vii. refrain from any action that would lead to loss of his independence;
- viii. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- ix. assist the company in implementing the best corporate governance practices.

## **8. Remuneration**

- i. The compensation of independent directors is approved at a meeting of the Board. The total compensation payable to the entire group of independent directors is limited to a fixed amount per year determined by the Board. This amount shall not exceed such percentage of the net profit of the Company for the year calculated as per the provisions of the Companies Act, 2013 as may be prescribed.

- ii. In addition to the sitting Fees, independent directors would be entitled to the reimbursement of travelling expenses to the place of the Board meetings and other committee meetings of the Company and back to their normal place of residence.