

THE TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTOR

The terms and conditions of the appointment of Independent Director as set out hereunder are subject to provisions of extant laws, including the Companies Act, 2013 and the Articles of Association of the Company.

1. Term of Appointment

In accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), the Company and its Directors are required to adhere to provisions of the Companies Act, 2013 and the Listing Regulations, as may be amended from time to time with respect to appointment, re-appointment and tenure of Independent Directors. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. The Company is at liberty to disengage the Independent Directors prior to expiry of such term, subject to compliance of relevant provisions of the Companies Act, 2013 and other applicable law. Hence, an Independent Director of the Board shall serve up to a two consecutive terms of 5 consecutive years from the date of Independent Director r appointment, unless terminated earlier or extended, as per the provisions of this letter and the applicable laws.

The appointment is subject to approval of the shareholders of the Company. The appointment is also further to the confirmation to the Company that the meet the "independence" criteria as envisaged in Section 149(6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations.

2. Expectation of the Board from Independent Director as an Independent Director

As an Independent Director, the Independent Director will bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's issues of strategy, performance, risk management, resources, key appointments and standards of conduct as well as ensuring high standards of financial integrity and corporate governance.

Independent Director is required to attending meetings of the Board, Board Committees to which he/ she will be appointed, as also the Annual General Meeting.

3. Committees

The Board of Directors (the Board) may, if it deems fit, also invite Independent Director for being appointed on one or more existing committees of the Board ("**Committees**") or any such Committee that is set up in the future. Independent Director appointment on such Committees

will be subject to the applicable laws and regulations, specifically the Companies Act, 2013 and Listing Regulations.

4. Fiduciary Duties

Independent Director role and duties will be those normally required of an Independent Director under the Companies Act, 2013. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and *inter alia* include the following:

- (i) Independent Director shall act in accordance with the Company's Articles of Association.
- (ii) Independent Director shall act diligently and 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 community and for the protection of environment.
- (iii) Independent Director shall not involve in a situation in which Independent Director may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company, its shareholders and its employees.
- (iv) Independent Director shall conduct so as to meet expectations of operational transparency to shareholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision making.
- (v) Independent Director shall not achieve or attempt to achieve any undue gain or advantage either to himself/ herself or to Independent Director's relatives, partners or associates.
- (vi) Independent Director shall ensure that corporate social responsibility ("CSR") activities are undertaken by the Company as per the CSR Policy and that the approved amounts are spent on such activities.
- (vii) Independent Director shall ensure that the report of the Board of Directors to the shareholders contains all the relevant disclosures.
- (viii) Independent Director shall not assign his/ her office as Director and any assignments so made shall be considered void.

- 5. In addition to the above-mentioned fiduciary duties, Independent Director shall abide by the Code of Independent Directors as prescribed under the Companies Act, 2013, as may be amended from time to time, provided in **Annexure I**, and with the Code of Business Conduct and Ethics and other codes and policies relevant to Independent Director as formulated by the Company and as may be amended from time to time.

6. List of actions which should be avoided while functioning as an Independent Director:

- (i) Allowing any extraneous considerations to influence of objective independent judgment, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (ii) Abuse of the 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;
- (iii) Unfairly obstructing the functioning of an otherwise proper Board or committee of the Board;
- (iv) Disclosing 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;
- (v) Entering into insider trading of securities;
- (vi) Placing himself/ herself in a position where Independent Director have or may have an actual or potential conflict of interest with the Company, unless the same has been appropriately disclosed to the Company: Should such an occasion arise, Independent Director should discuss the matter with the Board or the Company Secretary immediately; and
- (vii) Assigning office and any assignment so made shall be void.

7. Remuneration / Commission / Reimbursement of expenses

Independent Director will not be an employee of the Company and this appointment letter shall not constitute a contract of employment. Independent Director will not be liable to retire by rotation.

In consideration of contributions as a member of the Board, an Independent Director shall be remunerated with the following fee structure:

a) Sitting Fees:

Board Meetings: ₹ 50,000/- (Rupees Fifty Thousand) per Board Meeting.

Committee Meetings: ₹ 20,000/- (Rupees Twenty Lakhs) per Committee Meeting.

b) **Reimbursement:**

In addition to the remuneration described, hereinabove, the Company will, for the period of Independent Director's appointment, reimburse Independent Director for conveyance, accommodation and meal expenses based on actuals incurred by Independent Director for attending the meetings of the Board or any committees thereof.

8. Confidentiality

All information acquired during Independent Director is confidential to the Company and should not be released, either during the appointment or following leaving the Board (by whatever means) to third parties without prior clearance from the Chairperson unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, Independent Director shall surrender any documents and other materials made available to Independent Director by the Company.

Independent Director attention is also drawn to the requirements under both legislation and regulation as to the disclosure of price sensitive information and to any dealing in the securities of the Company. Independent Director is required to abide by such requirements. Consequently, Independent Director should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the [Chairperson of the Board and the Company Secretary of the Company].

9. Conflict of Interest

It is accepted and acknowledged that Independent Director may have business interests other than those of the Company. As a condition to the appointment Independent Director are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of Independent Director's appointment and in the event of Independent Director's further appointment and relinquishment as Director in other entities.

In the event that Independent Director's circumstances seem likely to change and which might give rise to a conflict of interest or, there are circumstances that might lead the Board to revise its judgement that Independent Director are independent, such circumstances should be disclosed to both the Chairperson of the Board and the Company Secretary of the Company, who shall have the authority to take appropriate decision in this regard.

10. Liabilities

Section 149(12) of the Companies Act, 2013 *inter alia* states that, an Independent Director shall be held liable, *only* in respect of such acts of omission or commission by the Company which had occurred with his knowledge, attributable through Board processes, and with his consent or where he had not acted diligently.

11. Familiarization Program

Upon Independent Director's appointment, a familiarization program shall be undertaken to enable Independent Director to understand the business of the Company including the organizational chart, publicity material and policy handbook of the Company. Ongoing training sessions and familiarization programs, including briefings from management on business, strategy, operations and financial updates shall also be conducted. Please avail Independent Director rself of these opportunities as fully as is appropriate to Independent Director r responsibilities.

12. Review process

The performance of individual Directors and the whole Board and its Committees would be evaluated annually. If, in the interim, there are any matters that cause Independent Director any concern about Independent Director's role, please discuss them with the Chairperson as soon as is appropriate.

13. Termination

- (i) Independent Director may resign from Independent Director r position at any time and should Independent Director wish to do so, Independent Director are requested to serve a reasonable written notice on the Board. It is desirable that Independent Director inform Chairperson in advance of Independent Director r intention to resign or not to seek re-appointment which will help to fill the vacancy.
- (ii) Continuation of Independent Director r appointment is contingent on Independent Director r getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. Independent Director will not be entitled to compensation if the shareholders do not re-elect Independent Director at any time.
- (iii) Independent Director's appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

Annexure I

The Code for Independent Directors is a guide to professional conduct for Independent Directors of the Company (“**Independent Director**”). 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 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 controls 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 Director 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 behavior, 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; and
- (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's management; while selecting Independent Director of 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;
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the Independent Director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management;

- (4) 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; and
- (5) 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 within three months from the date of such resignation or removal, 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 the 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 Independent Directors;
 - (c) assess the quality, quantity and timeliness of flow of information between the Company's 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 Director shall be done by the entire Board, excluding the Independent 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.