

## Terms & Conditions for Appointment of Independent Directors

### 1. Terms of Appointment

As an independent director, you are eligible to serve for a maximum period of two terms of 5 years each, subject to the approval of members of the Company.

You should hold the office w.e.f. DD-MM-YYYY, as an additional Independent Director of the Company till the conclusion of the next General Meeting, and subject to the approval of members in the ensuing General Meeting, you shall hold the office for a term of up to five consecutive years.

As an Independent Director, you will not be liable to retire by rotation.

Your appointment is subject to the following:

1. During the tenure as an Independent Director, you will have to submit a declaration at the beginning of every financial year under section 149(7) of the Act certificate that you meet the criteria of independence.
2. You will ensure that you will not disqualified to act as a Director pursuant to the provisions of Section 164 of the Companies Act, 2013("Act").
3. You shall abide by the Code of Conduct for Independent Directors as outlined in the Schedule IV of the Companies Act, 2013 and such other duties as prescribed in mentioned Act.

### 2. Board Committees

The Board may, if it deems fit, invite you to be appointed to one or more existing committees of the Board or any future committees established in accordance with applicable acts and regulations.

### 3. Role, Duties and Responsibilities

As members of the Board, you along with the other Directors will be collectively responsible for meeting the objective of the Board which includes:

- Requirement under the Company's Article of Association;
- Requirement under the Companies Act, 2013;
- Accountability under the Director's Responsibilities Statement;
- Overseeing the maintenance of high standards of values and ethical conduct of business; and
- Overseeing the Company's contribution to enhancing the quality of life of communities.

You shall abide by the Code of Independent Directors as outlined in Schedule IV to Section 149(8) of the Companies Act, 2013, and the duties of directors as provided in the Companies Act, 2013, including Section 166. You will be responsible for providing guidance in the areas of your expertise.

#### **4. Fees**

Unless decided otherwise, you will be paid sitting fees for your service as an independent Director per meeting of the Board and committee thereof attended as a member/chairperson as per the relevant provisions of the Act.

#### **5. Code of Conduct & other Compliances**

During the appointment you will comply with the relevant regulations as may be issued by the Government of India and such other authorized bodies as set up by the Government on its behalf, including the Code for Independent Directors and such other requirements as the Board of Directors may from time to time specify.

At the First meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect your status as an independent director, you shall give a declaration to that effect confirming that you meet the criteria of independence as provided in Section 149(6) of the Act.

#### **6. Confidentiality**

You must apply the highest standards of confidentiality and not to disclose to any person or Company (whether during course of the appointment or at any time after its termination) any confidential information concerning to the Company by virtue of your position as a Non-Executive Director of the Company.

#### **7. Familiarization:**

You are provided with relevant literature such as the Annual Report, other documents/publications and code of conduct etc. at the time of your appointment to familiarize with the Company.

#### **8. Performance Evaluation**

Your re-appointment on the Board shall be subject to the outcome of the evaluation process by the Board, which took place annually.

#### **9. Termination**

You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board.

#### **10. Governing Law:**

This agreement is governed by and will be interpreted in accordance with Indian law and your engagement, shall be subject to the jurisdiction of the Indian Courts.

**Note:** These are the general terms and conditions of appointment of Independent Directors which are subject to modification/amendment.

## CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent Directors. 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 Directors 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 behaviour, 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;
- (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 management; while selecting independent Directors 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 appointment of independent Directors shall be formalised through a letter of appointment, which shall set out :
  - (a) the term of appointment;
  - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - (d) provision for Directors and Officers (*D and O*) insurance, if any;

- (e) the Code of Business Ethics that the company expects its Directors and employees to follow;
  - (f) the list of actions that a director should not do while functioning as such in the company; and
  - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) 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.
- (6) 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) 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 fulfills 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 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 non-executive Directors;
  - (c) assess the quality, quantity and timeliness of flow of information between the company 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 Directors shall be done by the entire Board of Directors, excluding the 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.