

## TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

### 1. Appointment, Term, Termination and Re-appointment

- i. The term of appointment – 5 (Five) consecutive years from their respective date of appointment
- ii. Appointment of every Independent Director shall be approved by the members of the Company.
- iii. The appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution.
- iv. No Independent Director shall hold office for more than two consecutive terms of upto maximum of five years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.
- v. Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- vi. Independent Directors are not liable to retire by rotation.
- vii. Termination of engagement shall be in accordance with the provisions of the Articles of Association of the Company, the Companies Act 2013, the rules thereunder, SEBI (LODR) Regulations, 2015 and Code of conduct.
- viii. Re-appointment at the end of the term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and passing of a special resolution by the Members.
- ix. The re-appointment would be considered based on the outcome of the performance evaluation process and the Independent Director continuing to meet the independence criteria.
- x. The Board of Directors may appoint Independent Directors as Chairman/Member of one or more of its Committees, as it may deem fit from time to time.
- xi. The Independent Director should be registered on the databank maintained by Indian Institute of Corporate Affairs.
- xii. No independent director, who resigns from the Company, shall be appointed as an executive / whole time director on the board of the Company, its holding, subsidiary or associate company or on the board of a company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an independent director.
- xiii. At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Managing Director/ Whole-time Director of a listed company or such other number as may be prescribed under the Act.
- xiv. An independent director who resigns or is removed from the board of directors of the Company shall be replaced by a new independent director by the Company at the earliest but not later than three months from the date of such vacancy:  
Provided that where the Company fulfils the requirement of independent directors in its board of directors without filling the vacancy created by such resignation or removal, the requirement of replacement by a new independent director shall not apply.

## 2. Roles, Duties and Responsibilities

- i. Independent Directors shall discharge all functions and duties as prescribed under various statutes, rules, regulations and SEBI (LODR) Regulations as amended from time to time entered by the Company with the Stock Exchanges.
- ii. Independent Directors shall abide by the provisions of 'Code of Independent Directors' as outlined in Schedule IV of the Act.
- iii. Independent Directors shall act in good faith to promote the objects of the Company for the benefit of its members and stakeholders. They shall have direct or indirect potential conflict of interest with the interest of the Company. They shall exercise their duties with due care, skill and diligence with independent judgement.
- iv. Independent Directors shall be responsible for providing guidance in the areas of their expertise. They shall devote such time as is prudent and necessary for the performance of their roles, duties and responsibilities.
- v. The performance of Independent Directors and that of the Board shall be evaluated annually.

## 3. Liabilities

Under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, 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/ her knowledge attributable through Board processes, and with his/ her consent or connivance or where he /she has not acted diligently.

## 4. Remuneration and Reimbursement of Expenses

- i. Independent Director will be paid such remuneration by way of sitting fees for attending each meeting of the Board and its Committees, as may be decided by the Board from time to time in compliance with applicable law.
- ii. Independent Directors will be entitled to reimbursement of expenses incurred in connection with attending the Board meetings, Committee meetings, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.

## 5. Conflict of Interest

It is accepted and acknowledged that Independent Director may have business interests other than those of the Company. As a condition precedent to commencement of the appointment, Independent Director is required to declare to the Company any such directorships, appointments, and interests to the Board. Thereafter, Independent Director is required to declare to the Company whenever there is any change in the circumstances which may affect their status as an Independent Director

## 6. Disclosures

Independent Directors shall make all statutory disclosures/ confirmations to the Company and to various statutory and regulatory authorities, as required under the Companies Act, 2013, Rules thereunder, other applicable laws and regulations as amended from time to time.

Every independent director shall, at the first meeting of the board in which he/she participates as a director and thereafter at the first meeting of the board in every financial year or whenever there is any change in the circumstances which may affect his/her status as an independent director, submit a declaration that he meets the criteria of independence as provided under Companies Act, 2013 & SEBI(LODR) Regulations, 2015 and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge his/her duties with an objective independent judgment and without any external influence.

## **7. Resignation**

An Independent Director may resign from their position at any time and if they wish to do so, they are requested to communicate the same with reasons in writing to the Board.

## **8. Confidentiality**

All information in relation to the Company acquired by Independent Director during the appointment and tenure as an Independent Director is confidential and should not be disclosed to third parties unless specifically authorized by the Company or required by the law.

## **9. Insider Trading**

Independent Director is subject to and bound by the prohibition and restrictions against insider trading and disclosure of unpublished price sensitive information, as prescribed under the Act and the regulations issued by the Securities and Exchange Board of India ("SEBI"). Independent Director would have to strictly abide by the Code of Conduct for Prevention of Insider Trading of the Company under SEBI (Prohibition of Insider Trading) Regulations, 1992 (as amended or replaced from time to time).

## **10. Stock Option**

Independent Directors are not eligible to participate in stock option schemes of the Company.