

## **Terms and Conditions of Appointment of Independent Directors**

### **Appointment**

- (1) The appointment as an Independent Director on the Board of Directors of the Company is subject to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015).
- (2) In compliance with provisions of Section 149(13) of the Companies Act, 2013, the directorship is not subject to retirement by rotation.
- (3) The appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in Section 149(6) or Listing Regulations, 2015 or on the occurrence of any event as defined in Section 167 of the Companies Act, 2013.
- (4) Upon termination or upon resignation for any reason, the Independent Director will not be entitled to any compensation for loss of office.

### **Time Commitment**

- (5) An Independent Director is expected to 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 strategy, performance and risk management as well as ensuring high standards of financial probity and corporate governance. An Independent Director is expected to attend Board Meetings and Board Committees Meetings to which they may be appointed and Shareholders meetings and to devote such time to his duties, as appropriate for him to discharge his duties effectively.
- (6) The Independent Director should allocate sufficient time to meet the expectations from his role to the satisfaction of the Board.

### **Role and Duties**

- (7) The 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 as under. The Independent Directors shall also abide by the "Code for Independent Directors" as laid down in Schedule IV of the Companies Act, 2013.

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Version -2	Amendment approved by the Board of Directors on 11 <sup>th</sup> February, 2016

- (a) They shall act in accordance with the Company's Articles of Association as may be amended from time to time.
- (b) They shall act 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 interest of the Company, its employees, the shareholders, the Community and for the protection of environment.
- (c) They shall discharge their duties with due and reasonable care, skill and diligence and shall exercise Independent judgment.
- (d) They shall not involve themselves in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- (e) They shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.
- (f) They shall not assign their office as Director and any assignment so made shall be void.

**Status of Appointment**

- (8) The Independent Director will not be an employee of the Company and their appointment letter shall not constitute a contract of employment. They will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time, if required. Further, they will be entitled to profit related commission as may be approved by the Board and the Shareholders from time to time.
- (9) The sitting fees presently paid to the Independent Directors is Rs. 50,000/- per meeting of the Board and Audit Committee and Rs. 10,000/- for the Nomination and Remuneration Committee.
- (10) They will not have any entitlement to participate in any employee stock option scheme operated by the Company or any Group Company except as may be permitted by the Companies Act, 2013.

**Reimbursement of Expenses**

- (11) In addition to the remuneration described above, the Company will, for the period of their appointment, reimburse them for legitimate travel, hotel and other incidental expenses incurred by them in the performance of their role and duties.

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### **Conflict of Interest**

- (12) It is accepted and acknowledged that they may have business interests other than those of the Company. As a condition to their appointment commencing, they are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of their appointment and also about the changes that may happen from time to time.
- (13) In the event that their circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgment that they are independent, this should be disclosed to the Board.

### **Evaluation**

- (14) As a member of the Board, the performance of Independent Directors as well as the performance of the Board as a whole and its Committees shall be evaluated annually. Evaluation of the performance of each Director shall be done by all other Directors. The appointment and re appointment of Independent Directors on the Board shall be subject to the outcome of the yearly evaluation process.

### **Disclosure of Interest**

- (15) Any material interest that a Director may have in any transaction or arrangement that the Company has entered into should be disclosed not later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record their interest appropriately and records are updated. A general notice that the Independent Directors are interested in any contracts with a particular person, firm or company is acceptable. During the appointment, it is agreed to promptly provide an annual declaration under Section 149(7) of the Companies Act, 2013 and the provisions of the Listing Regulations, 2015 regarding status of independence and also upon change in circumstances which may affect the status as an Independent Director.

### **Code of Conduct**

- (16) During the appointment Independent Directors are requested to comply with regulations as contained in Schedule IV under Companies Act, 2013 and also the Code of Conduct of the Company for Board of Directors and Senior Management.

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### **Confidentiality**

- (17) All information acquired during the appointment is confidential to the Company and should not be released, either during the appointment or following termination (by whatever means) to third parties without prior clearance from the Board unless required by law or by the rules of any stock exchange or regulatory body. In such a case, the Independent Directors will promptly inform to the Board about such disclosure before it will be made to any third party. On reasonable request, they shall surrender any documents and other materials made available to them by the Company.
- (18) The Independent Directors should avoid making any statements or performing any transactions that might risk a breach of the requirements under the applicable regulations and the Insider Trading Code without prior clearance from the Board.

### **Membership of Committees**

- (19) The Board of Directors may appoint them as Member/Chairman of one or more of its Committees which will be covered in a separate communication setting out the relevant committee's terms of reference and any specific responsibilities.

### **Termination**

- (20) The Independent directors may resign from their position at any time after serving a reasonable written notice on the Board. In terms of provisions of the Companies Act, 2013, they are required to file a copy of resignation letter with the Registrar of Companies.
- (21) The appointment of Independent Directors may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

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