



Terms and conditions of appointment of Independent Director

We are pleased to inform you that the Board of Directors have appointed you as an Independent Director of the Company with effect from [●]. Your appointment has been made based on the information and declaration of Independence provided by you and pursuant to the provisions of Sections 149, 152, read with Schedule IV to the Companies Act, 2013 ('the Act') and other applicable provisions of the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

I) Period

Your appointment is for a period of five years with effect from [●] to [●], subject to the approval of the shareholders of the Company and also subject to the maximum permissible directorships that a person can hold pursuant to the provisions of the Act and SEBI Listing Regulations.

II) Board Meetings

Board meeting dates are finalized in consultation with all Directors and meetings are held at least four times in a financial year and the time-gap between two meetings is not more than 120 days.

III) Professional Conduct

As an Independent Director you shall:

- a. uphold ethical standards of integrity and probity;
- b. act objectively and constructively while exercising your duties;
- c. exercise responsibilities in a bona fide manner in the interest of the Company;
- d. devote sufficient time and attention to your professional obligations for informed and balanced decision making;
- e. not allow any extraneous considerations that may vitiate your 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;
- f. not abuse your position to the detriment of the Company or its shareholders or for gaining direct or indirect personal advantage or advantage for any associated person;
- g. refrain from any action that would lead to loss of your independence;



- h. if circumstances arise under which you may lose your independence, you will immediately inform the Board; and
- i. assist the Company in implementing the best corporate governance practices.

IV) Role and Functions

As an Independent Director your role and functions shall be as follows:

- a. 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;
- b. bring an objective view in the evaluation of the performance of board and management;
- c. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d. satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- e. safeguard the interests of all stakeholders, particularly the minority shareholders;
- f. balance the conflicting interest of the stakeholders;
- g. 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; and
- h. moderate and arbitrating in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

V) Duties

As an Independent Director your duties shall be as follows:

- a. undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company;
- b. 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;



- c. strive to attend all meetings of the Board and its Committees of which you are a member;
- d. participate constructively and actively in the Committees of the Board in which you are a member;
- e. strive to attend the shareholders' meetings of the Company;
- f. where you 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 your concerns are recorded in the minutes of the Board meeting;
- g. keep yourself well informed about the Company and the external environment in which it operates;
- h. not to unfairly obstruct the functioning of an otherwise proper Board or its Committees;
- i. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same are in the interest of the Company;
- j. ascertain and ensure that the Company has an adequate and functional vigil mechanism and ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- k. report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy; and
- l. acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees.

As an Independent Director, you are expected to bring objectivity and independence of view to the Board's discussions in relation to the Company's strategy, performance and risk management and to ensure high standards of financial probity and corporate governance.

VI) Board Committees

During your tenure as an Independent Director, the Board may nominate you on one or more of its Committees subject to the compliance with the provisions of the Act and SEBI Listing Regulations.

VII) Codes of Conduct and Insider Trading

You are required to abide by the Code of Conduct for Directors and Code for Independent Directors prescribed by Schedule IV of the Act as may be amended from time to time. You are required to submit an affirmation on these Codes to the Company on an annual basis.



You are also required to abide by the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct for Prevention of Insider Trading as amended and adopted by the Board from time to time.

VIII) Confidentiality

While discharging your duties, the Company, may from time to time, disclose/provide, in writing, orally, visually, electronically, etc. business, technical and/or other information/ data, viz. research, development, trade secrets or business affairs, which are confidential, non-public and/or proprietary in nature ('Confidential Information'). You shall hold Confidential Information learnt or received, with strict confidence and trust and shall not disclose or use it (except as authorised in writing by the Company or as required by law), for your own benefit or the benefit of any other person. You shall use the same degree to protect the Confidential Information as would do for your own proprietary and confidential information.

IX) Conflict of Interest

Your holding of directorships of other organisations, shall not give rise to any conflicts of interest in relation to your appointment as an Independent Director of the Company. Should you become aware of any conflict or potential conflict during your appointment, you are expected to notify the same to the Board. Apart from the applicable law and good corporate governance practices, there are no other additional limitations. You shall disclose to the Board; any material interest you may have in any transaction or arrangement that the Company may enter into with any entity. Such interest should be disclosed by you immediately when such transaction or arrangement comes up at any meeting of Directors, so that your interest can be appropriately recorded in the minutes.

X) Directors and Officers Insurance

The Company maintains a Directors and Officers Insurance Policy ('D & O Policy') *inter-alia* to cover the personal liability of the directors for claims made against them while serving on the Board/Committees of the Company, subject to the terms and conditions of the D & O Policy in force from time to time.

XI) Remuneration and reimbursements

Pursuant to the provisions of Section 197 of the Act, you shall be paid sitting fees for attending the meetings of the Board or Committees thereof, as may be decided by the Board.

In addition to sitting fees, you will be entitled to commission as may be decided by the Board within the limits approved by the shareholders pursuant to the provisions of the Act & SEBI Listing Regulations.



Payment of sitting fees and commission shall be subject to deduction of applicable withholding tax as per Indian laws. The Company will provide you necessary certificate of such tax deduction.

The Company shall reimburse your travelling and incidental expenses reasonably incurred by you for attending the Board/Committee meetings in conjunction with the Company's rules and policies.

XII) Separate meetings

You along with fellow Independent Directors shall hold at least one meeting in a financial year, without the attendance of non-Independent Directors and members of the management. You shall strive to be present at such a meeting which shall: -

- a) review the performance of non-independent directors and the Board as a whole;
- b) review the performance of the Chairman, taking into account the views of executive directors and non-executive directors; and
- 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.

XIII) Mechanism for performance evaluation

Your evaluation shall be done by the entire Board of Directors, without your participation, which shall include your performance; fulfillment of the independence criteria as specified in the Act and SEBI Listing Regulations and your independence from the management. Based on the report of performance evaluation, it shall be determined whether to extend or continue the term of your appointment as an Independent Director.

XIV) Liabilities

Subject to applicable laws, for any breach of duties, the Independent Directors are liable to consequence prescribed under applicable law and in relation to the Company. The Independent Directors would be liable for such acts of omission or commission by the Company which had occurred with their knowledge, attributable through Board processes, and with their consent or connivance, or where the Independent Directors have not acted diligently.
