

## **TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS**

### **1. The term of appointment**

Appointment is for a period of 3 years with effect from 2<sup>nd</sup> March 2015. However, ID have been appointed as an Additional Director by the Board to hold the office up to the date of the next annual general meeting. Therefore, the appointment is subject to members' approval at the next annual general meeting

### **2. The expectations of the Board from the appointed Director**

- (a) The Company anticipates commitment of sufficient time and attention as may be required from time to time in accordance with the provisions of the Companies Act, 2013 and rules made thereunder.
- (b) Not disclose any confidential information unless such disclosure is expressly approved by the Board.
- (c) Uphold ethical standard of Integrity and Probity
- (d) Refrain from any action that will lead to loss of Independence.
- (e) Exercise your responsibilities in bona fide manner and in the best interest of the Company.

### **3. Appointment in Board-level committee and its tasks**

During the appointment you may be asked to serve on one or more of the Board Committees and you have been provided with copies of the terms of reference for each of those committees.

### **4. The fiduciary duties that come with such appointment along with accompanying liabilities.**

- (a) You shall not breach any of the terms and conditions pertaining to Independent Directors as mentioned in the Companies Act, 2013 or any other laws as may be applicable
- (b) You shall disclose interest in any of the contract or arrangements and also disclose the interest on periodical basis as required under law.
- (c) You shall not engage in Insider Trading activities.
- (d) You shall ensure compliance of all the laws of the land.

**5. Provision for Directors and Officers (D and O) insurance, if any**

The proposal for D and O insurance for the Directors and Officers are under consideration.

**6. The Code of Business Ethics that the Company expects its directors and employees to follow:**

A copy of Schedule IV of the Companies Act, 2013, detailing the code to professional conduct of Independent Director is enclosed as Annexure -1. You shall annually affirm, in writing, the compliance with the code.

**7. The list of actions that a director should not do while functioning as such in the company.**

You shall not

- (e) Misuse the information in their possession for personal gains.
- (ii) Engage in any way (both directly and indirectly) with the competitors.
- (iii) In any way indulge in activities which may be construed as conflict of interest.
- (iv) enter into any contract or arrangements wherein he is directly or indirectly interested.

The above list is only indicative and not exhaustive.

**8. The remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.**

The remuneration policy for non-whole time directors, including the Independent Directors, is reviewed by the Board or Committee thereof. You shall be remunerated by way of Sitting Fees of Rs. 5000/- (Five Thousand only) for each meeting of the Board and Committee meetings of the Board.

**9. Others:**

The Appointment Letter is issued based on the Act, Rules and other Regulations prevalent at the time of appointment. Any change in above, shall automatically entail changes in the terms and conditions.

The Board or its Committee are empowered to review and change the terms and conditions of this letter. Any changes, thereof, will be informed to you.

(Annexure –I)

**CODE FOR INDEPENDENT DIRECTORS**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment 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. scrutinize 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.

The provisions of this Code can be amended and modified by the Board of Directors of the Company from time to time and all such amendments and modifications shall take effect from the date stated therein. All officers shall be duly informed of such amendments.