# Terms and Conditions for the Appointment of Independent Directors

The Broad terms and conditions for the appointment of **(Name of the Independent Directors)** (hereinafter referred as You) subject to the provisions of Sections 149 of the Companies Act, 2013 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under, as amended thereof from time to time, (the "**Companies Act**") and pursuant to the provisions of the Articles of Association of the Company, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, as amended thereof from time to time ("SEBI (LODR) Regulations")

## 1. APPOINTMENT

In accordance with the provision of the Companies Act, 2013 and other applicable laws, you will serve as an Independent Director of the Board up to the period of 5 (five) years from the date of appointment. The appointment is subject to the approval of Shareholders and will not be liable to retire by rotation.

## 2. BOARD COMMITTEES

2.1 As advised by the Board, during the tenure of office, the independent Director required to serve on one or more of the Committees of the Board established by the Company. Upon the appointment to any one or more Committees, will be provided with the appropriate Committee charter which sets out the functions of that Committee.

2.2 As per the provisions of the Companies Act and Securities and Exchange Board of India(Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended thereof from time to time ("SEBI (LODR) Regulations") the Company has all applicable committees. The Board is responsible for constituting, assigning, co-opting and fixing terms of service for committee members. The chairperson of the Board, in consultation with the company secretary and the committee chairperson, determines the frequency and duration of the committee meetings. The committees meetings shall be held as per the requirement of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended thereof from time to time .

## 3. TRAINING OF THE BOARD

Every new independent director of the Board attends an orientation program. Presentations are made by executive Directors/Senior Managerial Personnel. The presentations cover an overview of our strategy and operations to familiarize the new inductees about the strategy, operations and functions of our ' Company.

## 4. INDEPENDENT DIRECTORS

Independent Directors means a non -executive director, other than a nominee director of the listed entity.

Rest of the criteria to become an Independent Director must be complied as per the requirement given under the provisions of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended thereof from time to time.

**5. PERFORMANCE EVALUATION**

The evaluation of independent directors shall be done by the entire board of directors which shall include –

(a) performance of the directors; and
(b) fulfilment of the independence criteria as specified in these regulations and their independence from the management:

Provided that in the above evaluation, the directors who are subject to evaluation shall not participate.

**6. Maximum number of directorships**

You cannot serve as an independent director in more than seven listed entities.

**7. Duties and Obligations with respect to independent directors.**

The Independent Directors has to complied with all the duties and obligations given under the provisions of Companies Act, 2013 and rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended thereof from time to time.

Apart from this the listed entity shall familiarise the independent directors through various programmes about the listed entity, including the following:

(a) nature of the industry in which the listed entity operates;
(b) business model of the listed entity;
(c) roles, rights, responsibilities of independent directors; and
(d) any other relevant information.

Every independent director shall, at the first meeting of the board in which he 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 status as an independent director, submit a declaration that he meets the criteria of independence as provided under SEBI Listing regulations and Companies Act and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. Performing such other activities which are statutorily prescribed under any law to be complied .

**8. INFORMATION ON WEBSITE**

The listed entity shall disseminate the following information under a separate section on its website :

A. terms and conditions of appointment of independent directors;
B. details of familiarization programmes imparted to independent directors including the following details:-

i. number of programmes attended by independent directors ;
ii. number of hours spent by independent directors in such programmes, and ;
iii. other relevant details which may require time to time

**9. PROFESSIONAL CONDUCT**

Pursuant to Schedule IV read with section 149 (8) of the Companies Act, 2013, as an independent Director shall:

a) uphold ethical standards of integrity and probity;
b) act objectively and constructively while exercising your duties;
c) exercise your 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 the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
g) refrain from any action that could lead to a loss of your independence;
h) ensure that if circumstances arise under which you may lose your independence, you will immediately inform the Board accordingly;
i) assist the Company in implementing the best corporate governance practices

**10.FUNCTIONS, RESPONSIBILITIES AND DUTIES OF DIRECTORS**

**10.1. Functions**

**a) To review the Company's strategy, the annual financial plan and monitor the Company's Performance:**

The primary role of the members of the Board is to exercise their independent business judgment to act in what they believe to be the best interests of the Company and its shareholders. It is the duty of the Board to ensure that the Management performs with competence and values to achieve the objectives of the Company. As per Companies Act, 2013 the Board should meet at least four times (every quarter) in a year. The quarterly meeting of the Board includes updates on the business, financial and business-enable functions and discussions on such updates. The Audit Committee of the Board reviews the Company's financials and recommends the same to the Board for its acceptance. The Board monitors the Company's performance in accordance with its annual financial plan at its quarterly meetings as well as at the end of the financial year.

**b) To review management performance and compensation:**
The Nominations and Remuneration Committee of the Board evaluates the performance of the executive officers of the Company and recommends their compensation for the ensuing year to the Board. Such compensation may include stocks, options and variable pay.

**c) To review and decide on succession planning of executive officers of the Company:**
The Nominations and Remuneration Committee of the Board works with the Board to develop an orderly plan for the succession of leadership of the Board and the executive officers of Company. The committee develops contingency plans for succession in the case of exigencies.

**d) To advice and counsel the Management:**
The Board should be composed of individuals whose knowledge, background, experience and judgment are valuable to the Company. They should also be capable of providing advice to the executive officers of the Company. Members of the Board have full access to the Management (executive officers) and other employees as well as to the Company's records and documents. The Board may also seek legal or other expert advice from a source independent of the Management.

**e) To monitor and manage potential conflicts of interests of the Management:**
The Audit Committee of the Board reviews and approves related party transactions, as required under the applicable laws.

**f) To oversee and ensure the integrity of financial information and legal compliance**
The Audit Committee of the Board overseas the Company's accounting and financial reporting process and audit of the Company, financial statements and assist the Board in the overseeing of the following :-

a) the Integrity of the Company's financial Statements;
b) the Company's compliance with legal and regulatory requirements,
c) the independent auditor's qualification, Independence and performance,
d) the Company's internal accounting and financial control, and
e) Accountability under the Director's Responsibility Statement.

**10.2. Responsibilities**
Independents Directors have the same general legal responsibilities to the Company as that of any other Director. The Board, as a whole, is collectively responsible for ensuring the success of the Company by directing and supervising the Company's affairs. The responsibilities of the Independent Director, inter alia, includes that he:

a) provides entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
b) sets the Company's strategic aims, ensures that the necessary financial and h uman resource requirements are in place for the Company to meet its objectives, and reviews management performance;
c) sets the Company's values and standards, ensures that its obligations to its shareholders and others are understood and met by the Company'

In addition to the criteria mentioned in the previous sections for the induction of directors, the role of Independent directors also includes tracking, reviewing and providing feedback on:

a) **Strategy** : Independent Directors to constructively contribute to the development of the Company strategy;
b) **Performance:** Independent Directors to oversee the performance of the Management in meeting agreed goals and objectives and monitor the reporting of performance;
c) **Risk :** independent Directors to evaluate and ensure that financial information is accurate, and that financial controls and systems of risk management are robust and defensible;
d) **People:** Independent Directors responsible for determining the appropriate levels of remuneration of executive directors and the process of succession planning. They also have a prime role in appointing, and, where necessary, removing senior management.
e) **Stakeholders:** Independent Directors to balance the conflicting interest of the stakeholders, including minority shareholders. In the event of any conflict, they shall moderate and arbitrate in the interest of the Company as a whole.

## 11. REMUNERATION

For attending the meetings of the Board and Committees, the Independent Directors of the Company shall be paid t he sitting fees as decided by the Board of Directors of the Company and not less than minimum amount as prescribed under any law .

ln addition to the above, non-executive/independent directors would be entitled to the reimbursement of only the following items of expenditure that may be incurred in traveling to the place of the Board meetings and other committee meetings of the Company and back to their normal place of residence:

(a) Economy class for (domestic travel) air fare from the normal place of residence to the place of the Board or committee meetings and back to their normal place of residence.
(b) Accommodation at our campus or any hotel as determined by the Company for the duration of Board and committee meetings, and during the day prior to and after such meetings.
(c) Out-of-pocket expenses, like conveyance, food, and incidentals that are incurred during the days of the Board and committee meetings.

## 12. TERM

Subject to applicable law, Independent directors are eligible to serve for a period of two terms of 5years each.

**13. CODE OF CONDUCT**

An Independent Director shall follow the code of conduct of the Company and Furnish annual affirmation of the same.

You will apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the tenure as Independent Director or at any time after its cessation) any confidential information concerning the Company including any subsidiary or associate thereof with which you come into contact by virtue of your position as an Independent Director, except as permitted by law or with prior clearance from the chairman of the Board.

We would like to draw your attention to the applicability of Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation 2015 as amended from time to time, which inter- alia prohibits disclosure or use of unpublished price sensitive information. You should not make any statement(s) that might risk a breach of the requirements specified under the said statute unless the same is required under any law or the same is required for the purpose of compliance of any direction, order, etc. issued/given by any judicial authority. Additionally you shall not participate in any business activity which might impede the application of your independent judgment in the best interest of the company.

**14. INDUCTION AND DEVELOPMENT**

The Company shall, if required, conduct formal induction program for its Independent Directors.

The Company shall, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

**15. PERFORMANCE APPRAISAL / EVALUATION PROCESS**

As a member of the Board, performance of Independent Director as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be determined by the Nominations Committee and disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board/ Committee.

**16. DISCLOSURES, OTHER DIRECTORSHIPS AND BUSINESS INTEREST**

During the Term, Independent Director agree to promptly notify the Company of any change in your directorships, and provide such other disclosures and information as may be required under the applicable laws and also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, Independent Director shall promptly disclose the same to the Chairman and the Compliance officer. Please confirm that as on date of this letter, you have no such conflict of interest issues with your existing directorships.

During your Term, you agree to promptly provide a declaration under Section 149(7) of the Companies Act, 2013, upon any change in circumstances which may affect your status as an Independent Director.

**17. CHANGES OF PERSONAL DETAILS**

During the Term, you shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

**18. TERMINATION**

Your directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Companies Act, 2013, your directorship may be terminated for violation of any provision of the Company Code of Conduct.

You may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by you in the notice, whichever is later.

If at any stage during the Term, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the Actor, if applicable, you fail to meet the criteria for "independence "under the provisions of SEBI (LODR) Regulations, you agree to promptly submit your resignation to the Company with effect from the date of such change.

**19. COOPERATION**

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your Term, you agree to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

**20. GOVERNING LAW**

This document is governed by and will be interpreted in accordance with Indian Law and your engagement shall be subject to the jurisdictions of the India courts.

**21. MISCELLANEOUS**

This letter represents the entire understanding, and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between yourself and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.

No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.

As per SEBI (LODR) Regulations, if applicable, this letter along with your detailed profile shall be disclosed on the website of the Company and the relevant stock exchange.

**22. AMENDMENTS:**

The Board shall have the power to amend any of the clauses of this Policy, substitute any of the clauses with a new provision or replace this Policy entirely with a new Policy.

The Policy is approved by the Board of Directors at their meeting held on February 22, 2019. and save as otherwise specifically provided in this policy, the policy shall come into force w.e.f. 01.04.2019