

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

I. Terms of Appointment:

As per new Companies Act 2013, Terms of appointment as Independent Director will be for the 5 years from the date of appointment. In the case of resignation terms may be lesser. The re-appointment of independent director shall be on the basis of report of performance evaluation which will be annually done by the Company.

II. Remuneration of Independent Director

The Independent Directors will receive a sitting fee for attendance to the various Board Meetings/ Audit Committee Meetings/ Remuneration Committee / Stakeholders Relation Committee. They are entitled to fees or other amounts as the Board determines where they perform special duties or otherwise perform services outside the scope of the ordinary duties of a director. They may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

III. Guidelines of professional conduct:

The Independent Director shall:

- (1) Uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising your duties;
- (3) exercise your responsibilities in a bona fide manner in the interest of the company;
- (4) Devote sufficient time and attention to your professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will 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;
- (6) 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;
- (7) Refrain from any action that would lead to loss of your independence;
- (8) Where circumstances arise which make an independent director lose your independence, you must immediately inform the Board accordingly;
- (9) Assist the company in implementing the best corporate governance practices.

II. Role and functions:

The Independent Director 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 those 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 behavior, 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.

VI. Resignation or removal:

(1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Companies Act 2013.

(2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.

(3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

The office that the Independent Director holds as a director becomes vacant in the following circumstances when he/she:

- (a) ceases to be a director under any provision of the Corporations Act;
- (b) becomes bankrupt or make any arrangement or composition with your creditors generally;
- (c) becomes prohibited from being a director by reason of any order made under the Corporations Act;
- (d) becomes of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
- (e) resigns office by notice in writing to the Company;
- (f) is removed from office by resolution of the Company;
- (g) is not re-elected to office; or
- (h) any other circumstances as specified in the Company's Constitution

VII. Separate meetings:

(1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;

(2) All the independent directors of the company shall strive to be present at such meeting;

(3) The meeting shall:

- (a) Review the performance of non-independent directors and the Board as a whole;

(b) Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

(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.

VIII. Evaluation mechanism:

(1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

(2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director