

Terms and conditions of Appointment of Independent Directors

The terms and conditions of appointment of the Independent Directors of the Company are subject to the extant provisions of the (i) applicable laws, including the Companies Act, 2013 (“the Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”) (as amended from time to time) and (ii) Articles of Association of the Company.

The broad terms and conditions of their appointment as Independent Directors of the Company are reproduced hereunder:

1. Appointment

The appointment will be for the period as mentioned in their respective Appointment Letters (“Term”). The Company may disengage Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the Act.

As Independent Directors, they will not be liable to retire by rotation. Re-appointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the Shareholders. The re-appointment shall be considered by the Board based on the outcome of the performance evaluation process and the directors continuing to meet the independence criteria.

The Act prescribes an Evaluation Mechanism for Independent Directors, wherein performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated and the extension or continuation of term of appointment of Independent Director shall be determined on the basis of evaluation report.

The Independent Directors may be requested to be a member / Chairman of any one or more Committees of the Board which may be constituted from time to time.

Further, the Independent Directors may be requested to be a member on the Board of one or more of the Company’s subsidiaries or group companies.

2. Role, responsibilities, functions and duties

- a. As members of the Board, they along with other Directors will be collectively responsible for meeting the objectives of the Board which include:
 - i. Requirements under the Companies Act, 2013.
 - ii. "Responsibilities of the Board" as outlined in the Listing Regulations,
 - iii. Accountability under the Director's Responsibility Statement.
- b. They shall abide by the 'Code For Independent Directors' as outlined in Schedule IV to section 149(8) of the Act, and duties of directors as provided in the Act (including Section 166) and in Clause 49 of the Listing Agreement.
- c. They are particularly required to provide guidance in their area of expertise.
- d. General role, responsibilities and functions of the Independent Directors are as follows:
 - 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;
 - bring an objective view in the evaluation of the performance of the Board and the management;
 - scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
 - satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
 - safeguard the interests of all stakeholders, particularly the minority shareholders;
 - balance the conflicting interest of the stakeholders;
 - 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;
 - moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholders' interest.

e. General duties of the Independent Directors are as follows:

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- 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;
- strive to attend all meetings of the Board of Directors and of the Board committees of which he/ she is a Member;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- strive to attend the general meetings of the company;
- 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;
- keep themselves well informed about the Company and the external environment in which it operates;
- 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;
- 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;
- report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct;
- acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;

3. Time Commitment

The Independent Directors shall devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities.

4. Remuneration

As Independent Directors, they shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board, from time to time.

In addition to the sitting fees, commission that may be determined by the Board may also be payable to them. In determining the amount of this commission, the Board supported by the Nomination and Remuneration Committee may consider performance of the Company and their performance as evaluated by the Board.

Further, the Company may pay or reimburse to the Directors such expenditure, as may have been incurred by them while performing their role as Independent Directors of the Company. This could include reimbursement of expenditure incurred by them for accommodation, travel and any out of pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of their duties as Independent Directors.

5. Separate meetings:

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;

All the Independent Directors of the Company shall strive to be present at such meeting.

The meeting shall:

- review the performance of non-Independent Directors and the Board as a whole;
- review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- 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.

6. Liabilities:

Section 149(12) of the Act inter-alia states that, notwithstanding anything contained in the Act, an Independent Director shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

5. Insurance

The Company will take an appropriate Directors' and Officers' Liability Insurance policy and pay the premiums for the same. It is intended to maintain such insurance cover for the Term of their appointment, subject to the terms of such policy in force from time to time.

6. Code of Conduct

As Independent Directors of the Company, they shall agree to comply with the Code of Conduct for Non-Executive Directors (NEDs).

Unless specifically authorised by the Company, they shall not disclose Company and business information to constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers.

Their obligation of confidentiality shall survive cessation of their respective directorships with the Company.

The provisions of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Code of Conduct on Prevention of Insider Trading, prohibiting disclosure or use of unpublished price sensitive information, shall be applicable to the Independent Directors.

Additionally, they shall not participate in any business activity which might impede the application of their independent judgment in the best interest of the Company.

All Directors are required to sign a confirmation of acceptance of the Code of Conduct for NEDs, as adopted by the Board, on an annual basis.

7. Performance Appraisal / Evaluation Process

As members of the Board, their performance 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 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.

8. Disclosures, other directorships and business interests

During the term, they shall agree to promptly notify the Company of any change in their directorships, and provide such other disclosures and information as may be required under the applicable laws. They shall also agree that upon becoming aware of any potential conflict of interest with their position as Independent Directors of the Company, they shall promptly disclose the same to the Chairman and the Company Secretary.

During their term, they agree to promptly provide a declaration under Section 149(7) of the Act, upon any change in circumstances which may affect their status as Independent Directors.

9. Changes of personal details

During the Term, they 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.

10. Termination

They may resign from the directorship in the Company for any reason or pursuant to any of the provisions of the Companies Act, 2013 or any of the applicable Law or the Articles of Association of the Company or may be required to vacate the office of directorship, it can be done at any time by them by giving a letter of resignation. While forwarding the intention to resign or not to seek re-appointment, it will be preferable if the Independent Directors give the Chairman reasonable time so that the Company can plan suitable succession to the Board;

Note: These are the general terms and conditions of appointment of Independent Directors which are subject to modification/ amendment.