

## TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTOR

### APPOINTMENT:

1. An Independent Director shall be appointed on the Board of Directors of the Company ("the Board") within the meaning of the provisions of the Act and the Listing Agreement for an initial term of five years commencing from ..... which may be extendable thereafter for a further period of five years subject to the approval of members with requisite majority at the Annual General Meeting of the Company in accordance with the provisions of the Act and the Listing Agreement. In terms of section 149(13) of the Act, the directorship is not subject to retirement by rotation.
2. During his/her tenure as an Independent Director, he/she shall comply with all the applicable provisions of the Act including to submit a declaration at the beginning of each Financial Year as provided under the provisions of Section 149(7) of the Act confirming that he/she meets the criteria of independence. His/her appointment is also subject to the maximum permissible Directorships that an Independent Director can hold as per the provisions of the Act read with the Rules framed thereunder and the Listing Agreement.
3. During his/her tenure as an Independent Director, he/she shall ensure that he/she does not get disqualified to be appointed as a Director pursuant to the provisions of Section 164 of the Act and do not commit any act in contravention with Section 167 of the Act.
4. During the term of his/her appointment, if there are any changes in his/her contact details / address or any other personal details as provided to the Company, he/she shall promptly intimate the Company Secretary of such changes, if any along with revised DIN to be filed by him/her, if required. He/she shall also disclose his/her shareholding in the Company owned and held by him/her or for other persons on a beneficial basis before his/her appointment / re-appointment.
5. He/she will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board from time to time. Further, he/she may also be paid remuneration by way of commission as may be approved by the Board and Shareholders from time to time.
6. He/she will not be entitled to any bonus during the term of his/her appointment as also any employee stock option scheme that may be operated by the Company or any of its group company.
7. In addition to the remuneration described above, the Company may, for the period of his/her appointment, reimburse him/her for travel, hotel and other incidental expenses if any, incurred by him/her in the performance of his/her role and duties.

### MEMBERSHIP OF COMMITTEES:

8. The Board may if deems fit, invite him/her for being appointed on one or more existing Board committees or any such committees that may be set up in future. His/her appointment on such committee(s), if any shall be subject to the applicable regulations.

### ROLE AND DUTIES:

9. His/her role and duties will be those as normally required of a Non-Executive Independent Director under the Act and the Listing Agreement. He/she shall also discharge certain duties which are fiduciary in nature and are as under:
  - I. He/she shall act in accordance with the Company's Articles of Association as may be amended from time to time.
  - II. He/she shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company.
  - III. He/she shall discharge his/her duties with due and reasonable care, skill and diligence.
  - IV. He/she shall not involve himself/herself in a situation in which he/she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
  - V. He/she shall not achieve or attempt to achieve any undue gain or advantage either to himself/herself or to any of his/her relatives, partners or associates.
  - VI. He/she shall not assign his/her office as Director and any assignments so made shall be void.

- VII. He/she is expected to:
- (i) Facilitate the Company's adherence to high standards of ethics and corporate behaviour.
  - (ii) Guide the Board in monitoring effectiveness of the Company's governance practices and recommend changes, if any.
  - (iii) Guide the Board in monitoring and managing potential conflicts of interest of Management, Board members and Stakeholders including misuse of corporate assets and abuse in related party transactions
  - (iv) Guide the Board in ensuring that the Company's accounting and financial reporting systems including the independent audit are integrated and that appropriate control system are in place in particular for risk management, financial and operational control and compliance with the law and relevant standards.

#### **CONFLICT OF INTEREST**

- 10. It is accepted and acknowledged that the Independent Director may have business interests other than those of the Company. As a condition of his/her appointment, he/she is required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of his/her appointment.
- 11. In the event that his/her circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that he/she is independent, the same should be disclosed to both, the Chairman and the Company Secretary of the Company.
- 12. Any material interest that he/she may have in any transaction or arrangement that the Company has entered into should be disclosed not later than when the transaction or arrangement comes up at a Board meeting so that the minutes of the meeting may record his/her interest appropriately and the Company's records are updated. A general notice that he/she is interested in any contract with a particular person, firm or Company is acceptable.

#### **EVALUATION**

- 13. The Company shall carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis as per the Company's Policy. The appointment and re-appointment of an Independent Director on the Board shall be subject to the outcome of the yearly evaluation process.

#### **SEPARATE MEETING**

- 14. (i) The Independent Directors of the Company shall hold at least one meeting in a year without the attendance of the non independent Directors and members of management of the Company.
- (ii) The Independent Director shall strive to be present at each such meeting.
- (iii) The Meeting shall (a) review the performance of non-independent directors and the Board as a whole; (b) review the performance of the Chairman of the Company (c) assess the quality, quantity and timeliness of the flow of information between the management of the Company and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **CODE OF CONDUCT**

- 15. During the term of appointment, the Independent Director will continue to comply with and abide by the Code for Independent Director of the Company as specified in Schedule IV in terms of Section 149 (8) of the Act as set out in Annexure – I in addition to the Code of Conduct applicable to the Board of Directors and Senior Management of the Company as set out separately in Annexure – II.

#### **CONFIDENTIALITY**

- 16. All information acquired during his/her term of appointment is confidential to the Company and should not be released, either during his/her term of appointment or at any time thereafter to third parties without

prior clearance from the Chairman unless required by law or by the rules of any stock exchange or statutory / regulatory body.

17. The attention of an Independent Director is also drawn to the requirements under the applicable regulations and the Company's Insider Trading Code which concern the disclosure of price sensitive information and dealing in the securities of the Company. Consequently he/she should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Company Secretary of the Company.

#### **PUBLICATION OF THE LETTER OF APPOINTMENT**

18. In line with the provision of Clause IV sub clause 6 of Schedule IV to the Act, the Company is required to make public the terms of appointment herein and may also display it on the Company's website.

#### **INDUCTION, TRAINING AND DEVELOPMENT**

19. The Company shall provide suitable training to the Independent Directors to familiarize them with the Company, their role, rights, responsibilities in the Company, nature of industry in which the Company operates etc.

#### **TERMINATION**

20. The Independent director may resign from his/her position at any time and should he/she wish to do so, he/she will be required to serve a reasonable written notice to the Board giving reasons of his/her resignation. In terms of the provisions of the Act, the Independent Director is required to file a copy of his/her resignation letter with the Ministry of Corporate Affairs, New Delhi (MCA) and/or the Registrar of Companies, Mumbai, Maharashtra.
21. His/her appointment as Independent Director shall be terminated on his/her failure to meet the parameters of independence as defined in section 149(6) of the Act or on the occurrence of any event as defined in section 167 of the Act.

#### **GENERAL**

22. This letter and any non-contractual obligations arising out of or in connection with this letter are governed by and shall be construed in accordance with, the laws of India and the parties agree to submit to the exclusive jurisdiction of the courts at Mumbai.