

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

The term 'Independent Director' should be construed as defined under the Companies Act, 2013 and the listing agreement/ SEBI Listing Regulations as amended time to time.

The Board has also constituted Board Level Committees as required under statutory regulations & guidelines and to facilitate the smooth & efficient flow of decision-making process. The Independent Director may be inducted to serve as Chairperson/ Member on any of the said Committees or any of other Committee(s) as may be constituted from time to time. Their appointment on such Committee(s) shall be subject to applicable law.

### **1. Functions, Responsibility and Duties**

The role, functions and duties shall be those as are required of an Independent Director under applicable provisions of the Companies Act, 2013 and the rules made there under and the Listing Agreement/ SEBI Listing Regulations as amended from time to time. For ready reference a copy of Code for Independent Directors issued under Section 149(8) read with Schedule IV of the Companies Act, 2013.

Further, in terms of Section 166 of the Companies Act, 2013, they shall:

- I. act in accordance with the Company's Articles of Association.
- II. 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, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- III. exercise their duties with due and reasonable care, skill and diligence.
- IV. not involve themselves in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- V. not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.
- VI. not assign their office as Director and any assignments so made shall be void.

## **2. Remuneration and Reimbursement of Expenses**

The Independent Directors shall be paid such remuneration by way of sitting fees for attending meetings of the Board and its Committees as may be decided by the Board from time to time in compliance with applicable law.

In addition to payment of sitting fee, they shall be eligible for boarding, lodging and travelling expenses for attending the Board and Committee meetings at the same rates as are applicable to whole-time Directors of the Company as per the existing provisions applicable to them.

## **3. Conflict of Interest:**

It is accepted and acknowledged that Independent Directors may have business interests other than those of the Company. As a condition precedent to commencement of their appointment, they are required to declare to the Company any such directorships, appointments and interests to the Board. Thereafter, they are required to declare to the Company whenever there is any change in the circumstances which may affect their status as an independent director.

At the first meeting of the Board in which they participate as an independent 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/her status as an independent director, they are required to give a declaration that they meet the criteria of independence.

## **4. Termination:**

Independent Director may resign from their position at any time and should they wish to do so, they are requested to serve a reasonable written notice to the Board stating out the reason for resignation.

Continuation of their appointment is contingent on their willingness to continue as an independent director, and their getting re-appointed by the shareholders in accordance with applicable law.

## **5. Confidentiality:**

All information in relation to the Company acquired during their appointment and tenure as an independent director is confidential and should not be disclosed to third parties unless required by law.

As a director, they are subject to and bound by the prohibition and restrictions against insider trading and disclosure of unpublished price sensitive information, as prescribed under the Act and the regulations issued by the Securities and Exchange Board of India ("SEBI"). They would have to strictly abide by the Internal Code of Conduct for Prevention of Insider Trading in dealing with Securities of pursuant to Regulation 9(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended or replaced from time to time).

## **6. Liability:**

Subject to applicable law, for any breach of their duties they shall be liable to consequences prescribed under applicable law and in relation to the Company, they would be liable for such acts of omission or commission by the Company which had occurred with their knowledge, attributable through Board processes, and with their consent or connivance, or where they have not acted diligently.

## **7. Miscellaneous:**

The appointment is also subject to the maximum permissible directorships that one can hold under applicable law, including as per the provisions of the Act and the Listing Agreement.

The Independent Director shall not be an employee of the Company and this letter shall not constitute a contract of employment.

- A person shall not be a director in more than eight listed entities with effect from April 1, 2019 and in not more than seven listed entities with effect from April 1, 2020:

Provided that a person shall not serve as an independent director in more than seven listed entities.

- Notwithstanding the above, any person who is serving as a whole-time director / managing director in any listed entity shall serve as an independent director in not more than three listed entities.

They shall not act as a member in more than ten committees or act as chairperson of more than five committees across all listed entities in which he/ she is a director which shall be determined as follows:

- (a) the limit of the committees on which a director may serve in all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded;
- (b) for the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered.