

INDEPENDENT DIRECTORS

Terms and Conditions of Appointment

The Terms and Conditions of appointment of Independent Directors are as under:

1. Independence

The appointment as an Independent Director is in due consideration of declaration of being qualified as “Independent” and appointment is subject to continued status as “Independent” as per the requirement of the Companies Act, 2013 and regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, from time to time.

2. Appointment

The Nomination and Remuneration Committee of Board of Directors initiates the proposal for selection of Independent Directors (IDs) on the Board of the Company as and when the vacancies arise. Based on the recommendations of Nomination and Remuneration Committee the Board of Directors will finalize and approve the candidates for appointment. Appointment is for an initial term of five years subject to the approval of shareholders in the General Meeting, unless otherwise terminated earlier by and at the discretion of either party. Independent Directors are typically expected to serve two five-year terms. Appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

3. Tenure

Appointment is for an initial term of three or five years subject to the approval of shareholders in the General Meeting, unless otherwise terminated earlier by and at the discretion of either party. Independent Directors are typically expected to serve two three or five-year terms. Appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

4. Roles and Responsibilities

Independent Directors have the same general legal responsibilities to the company as any other Director.

Independent Director of the Company, are required:

- To act in accordance with the Company's Articles of Association.
- To discharge duties with due and reasonable care, skill and diligence.
- Not to achieve or attempt to achieve any undue gain or advantage either to himself or to any related person/ party.
- To 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.
- Not to involve in a situation conflicting with the interest of the Company and to put the interests of Company above others.

In addition to the above requirements applicable to all Directors, role of the Independent Directors shall also include duties as prescribed in Schedule IV of Companies Act, 2013.

5. Remuneration

- a) IDs are not paid any monthly/ fixed remuneration as they are not whole-time Directors of the Company.
- b) IDs are paid 1,000/- per meeting of the Board and 1,000/- per meeting of Committee as attended by them or any other amount as mutually decided by the Board.
- c) All expenses, including travel and conveyance, boarding and lodging and other incidental expenditure, incurred by IDs in connection with their official duties are paid/ reimbursed by the Company.

6. Induction and training

IDs are provided formal induction training to enable them to get familiarize with the organizational setup, production facilities, business and operational environment of the Company. Further, they are nominated for training programs conducted by Board of Directors including Nomination and remuneration committee.

7. Confidentiality

During their tenure, Independent Directors of the Company are privy to information that is confidential to the Company. All such information acquired during tenure should not be released to third parties without prior clearance from the Chairperson.

8. Evaluation Process

As a member of the Board, 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 determined by the Nomination and Remuneration Committee of the Board 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. If, in the interim, there are any matters which cause concern, directors can discuss them with the Chairperson as soon as is appropriate.
