

## **Terms and conditions of appointment of Independent Directors**

The terms and conditions of appointment of the following Independent Directors are subject to the extant provisions of the (i) applicable laws, including the Companies Act, 2013 ('2013 Act') and Clause 49 of the Listing Agreement (as amended from time to time) and (ii) Articles of Association of the Company.

1. Mr. Anand Bordia
2. Mr. Ramesh Chandra Rekhi
3. Mr. Tarlochan Singh
4. Gen. N. C. Vij

### **1. Appointment**

Appointment will be up to 31<sup>st</sup> March, 2019 unless terminated earlier or extended, as per the provisions of terms of appointment or applicable laws ("Term").

Independent Director 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. Re-appointment would be considered by the Board based on the outcome of the performance evaluation process and continuing to meet the independence criteria.

### **2. Role, duties and responsibilities**

**A.** As member of the Board Independent Directors along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Overseeing the ethical conduct of business.
- Requirements under the Companies Act, 2013 and other relevant laws.
- Responsibilities of the Board as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under Clause 49 of the Listing Agreement.

**B.** Independent Director will Exercise his duties objectively and constructively in a bonafide manner in the interest of the Company.

**C.** Independent Director shall abide by the 'Code For Independent Directors' as outlined in Schedule IV to section 149(8) of the Companies Act, 2013 and duties of Directors as provided Section 166 of the Companies Act, 2013.

**D.** Independent Directors are also responsible for providing guidance in the area of their experience.

### **3. Time Commitment**

Considering the nature of the role of a Director, it is difficult for a Company to lay down specific parameters on time commitment. Independent Director agree to devote such time as is prudent and necessary for the proper performance of his role, duties and responsibilities as an Independent Director.

#### **4. Remuneration**

An Independent Director shall be paid sitting fees for attending the meetings of the Board and the Committees as decided by the Board from time to time.

In addition to the sitting fees, profit related commission may also be payable. In determining the amount of this commission, the Nomination and Remuneration Committee may consider various factors as disclosed in the remuneration policy forming part of the Board's report. An indicative list of the factors that may be considered are as follows:

- Attendance at Board meetings,
- Attendance at Board Committee meetings,
- Contribution at Board and Committee meetings,
- Industry practices,
- Performance evaluation, and
- Performance of the Company.

Further, the Company may pay or reimburse such fair and reasonable expenditure, as may have been incurred by Independent Director while performing his role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by Independent Director for attending Board/ Committee meetings, Annual General Meetings, Extraordinary General Meetings, Court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for Directors).

#### **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 appointment, subject to the terms of such policy in force from time to time.

#### **6. Code of Conduct**

An Independent Director agree to comply with the Company's Code of Conduct. Additionally as an Independent Director will:

- a) Not abuse his position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage of any person associated with him.
- b) Refrain from any action that would lead to loss of independence.
- c) Independent Director shall not participate in any business activity which might impede the application of his independent judgment in the best interest of the Company.
- d) Safeguard the confidentiality of all information received Independent Director by virtue of position. Unless specifically authorised by the Company or required by law, Independent Director shall not disclose Company and business information to public constituencies such as the media, the financial community, employees, shareholders etc.

Independent Director will comply with both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Company's Code of Conduct for prevention of Insider Trading, prohibiting disclosure or use of unpublished price sensitive information.

## **7. Induction and Development**

The Company shall, if required, conduct formal induction program for its Independent Directors which may include any or all of the following:

Company's Vision, Familiarization with financial matters, management team and business operations, visits to business locations and meetings with senior and middle management.

The Company shall, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the Company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

## **8. Performance Appraisal / Evaluation Process**

As a member of the Board, performance of Independent Director 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. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee. An indicative list of factors that may be evaluated as part of this exercise is:

- ✓ Participation and contribution by a Director, Commitment (including guidance provided to senior management outside of Board / Committee meetings),
- ✓ Effective deployment of knowledge and expertise,
- ✓ Effective management of relationship with stakeholders,
- ✓ Integrity and maintenance of confidentiality,
- ✓ Independence of behavior and judgment, and
- ✓ Impact and influence.

## **9. Separate Meeting**

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.

An Independent Director of the Company shall strive to be present at such meeting.

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.

## **10. Disclosures, other Directorships and business interests**

During the Term, Independent Director agree to promptly notify the Company of any change in Directorships, and provide such other disclosures and information as may be required under the applicable laws. Independent Director also agree that upon becoming aware of any potential conflict of interest with his position as Independent Director of the Company, he shall promptly disclose the same to the Chairman.

## **11. Termination**

Directorship of Independent Director on the Board of the Company shall terminate or cease in accordance with law.

Independent Director may resign from the Directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by him in the notice, whichever is later.

If at any stage during the Term, there is a change that may affect Independent Director's status as an Independent Director as envisaged in Section 149(6) of the 2013 Act or, Independent Director fail to meet the criteria for "Independence" under the provisions of Clause 49 of the Listing Agreement, Independent Director agree to promptly submit his resignation to the Company with effect from the date of such change.