

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

INSERT NAME OF INDEPENDENT DIRECTOR
INSERT ADDRESS

Dear _____,

SUBJECT: YOUR APPOINTMENT AS AN INDEPENDENT DIRECTOR

We are pleased to inform you that, at the Annual General Meeting held on _____, the Shareholders have approved your appointment as an Independent Director of the Company

Term of Appointment

Your appointment as an Independent Director will be for a consecutive term up to _____. As per the provisions of the Companies Act, 2013, you shall not be liable to retire by rotation.

You may resign by giving a notice in writing at any time and under the Articles of Association. Your appointment may cease under certain prescribed circumstances like:

- Continuing conflict of interest that cannot be reconciled.
- Failure in performance of fiduciary responsibility.
- Non - compliance with the agreed code of conduct and other policies of the Company.
- Vacation of Office under Section 167 of the Companies Act, 2013
- Disqualification under Section 164(2) of the Companies Act, 2013
- On the discretion of shareholders

You will be required to comply with the requirement of filing the requisite form with the Ministry of Corporate Affairs on ceasing to be a Director.

Performance Evaluation

Your reappointment or extension of term will be recommended by the Nomination and Remuneration Committee of the Board, pursuant to a performance evaluation carried out by the Board.

Role as a Director

The role, functions, duties and guidelines for professional conduct to be adhered by an Independent Director are set out in the Annexure attached with this letter.

You will be expected to participate as an active member of the Board by:

- Attending all Board meetings, currently 4 - 6 meetings per year
- Attending Committee meetings, as agreed
- Attending Shareholders' meetings

We estimate that you would need to commit to at least 2-3 days per quarter to fulfill your directorial duties, including adequately preparing for meetings, attendance and undertaking allocated follow-up tasks, office and site visits as necessary, as well as being available for ad hoc discussions from time-to-time.

Remuneration & Expenses

In addition to sitting fees for attending meetings of the Board and Committees, you will be entitled to remuneration by way of commission as per applicable Companies Act, 2013 provisions. Payment of commission would be based on:

- Number of meetings attended
- Role and contribution as member of the Board
- Role and contribution as chairman/ member of the Committee
- Overall contribution and time outside meetings.

You will be reimbursed for all approved expenses incurred in your role as an Independent Director. In addition, should you be requested to perform other work for the Company, outside the scope of usual Directors' duties, you may be entitled to additional remuneration as agreed with the Chairman of the Board at that time.

Disclosures

To enable compliance with the Articles of Association you are required to make certain disclosures related to and/or which might affect your role as a Director. These include:

- Giving notice to the Board of any relevant or material personal interest or conflict in relation to the affairs or business of the Company;
- Promptly advising details of any interests, or changes thereto, in the Company's securities.

The Code of Conduct for Prevention of Insider Trading lays down provisions in respect of securities trading and your obligations to the Company. Acceptance of this letter indicates you have read and understood the Code.

It is accepted and acknowledged that you may have business interests other than those of the Company. You will disclose your concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals, by giving a notice in writing pursuant to Section 184 of the Companies Act, 2013 in Form MBP-1.

Any director is, while holding office, at liberty to accept other board appointments so long as the appointment is not in conflict with the Company's business and does not interfere with their performance as a director of the Company.

Directors' Insurance

You have a right to be indemnified for certain liabilities arising from your conduct or duties as a Director. The Company will fully indemnify the Director except in cases of fraud or deliberate and wilful violation / breach. The Company maintains Directors & Officers Insurance for Board members and meets all premiums.

Training

You will be entitled to the benefit of a training program to familiarize yourself with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company operates, its goals and expectations and long term plans and objectives.

Independent Advice

You may seek independent professional advice, at the Company's expense, on any matter connected with the discharge of your responsibilities as a Director. Copies of this advice must be made available to, and for the benefit of, all Board members, unless the Chairman otherwise agrees.

Company Policies

As a Director of the Company you will be expected to act at all times in accordance with the Company's Articles of Association and comply with the Company's Code of Conduct for Directors and Senior Management, Code of Conduct for Prevention of Insider Trading, corporate policies and procedures that relate to your role as a Director covering such areas as corporate governance, privacy and travel. Copies of these will be provided to you.

Confidentiality

In your role as a Director you will be in possession of confidential information about the Company and its affairs. You may only use that information in the proper performance of your duties or as required by law; you must not use it to gain advantage for yourself or others, or to the detriment of the Company.

Please confirm your acceptance by signing, dating, and returning a copy of this letter to the Company.

Yours faithfully,

Chairman

Agreed and Accepted

[Insert name of independent director]

Annexure

A. Guidelines of Professional Conduct:

An independent director shall:

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising his duties;
3. exercise his responsibilities in a bona fide manner in the interest of the company;
4. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
6. 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 for any associated person;
7. refrain from any action that would lead to loss of his independence;
8. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
9. assist the company in implementing the best corporate governance practices.

B. Role and Functions:

An independent director shall:

1. 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;
2. bring an objective view in the evaluation of the performance of board and management;
3. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
5. safeguard the interests of all stakeholders, particularly the minority shareholders;
6. balance the conflicting interest of the stakeholders;
7. 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;
8. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest

C. Duties:

An independent director shall:

1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
2. 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;
3. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member and the general meetings of the company;
4. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. 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;
6. keep themselves well informed about the Company and the external environment in which it operates;
7. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
8. 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;
9. ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
10. report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
11. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.
12. act in accordance with the Articles of the Company and 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 interests of the Company, its employees, the shareholders, the community and for the protection of environment.
13. exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
14. not involve in a situation which may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
15. not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates.
16. not assign his office and any assignment so made shall be void.