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TERMS AND CONDITIONS – INDEPENDENT DIRECTORS

**I. APPOINTMENT CRITERIA AND QUALIFICATIONS**

The Nomination and Remuneration Committee (NRC) identifies persons with right / appropriate educational qualification, rich experience and expertise, integrity, desirable personal traits & leadership qualities and recommend to the Board for appointment as Director, KMP or at Senior Management level. The appointee should possess appropriate skills, knowledge, experience in one or more fields of finance, accounts, audit, law, management, sales, marketing, administration, research, corporate governance, technical operation, or other disciplines related to the Company's business. The NRC has the discretion to decide on the age, qualification, expertise, and experience to be possessed by the appointee for the concerned position depending up on the circumstances of each case.

**Independent Directors:**

An Independent Director could hold office for a term up to five consecutive years on the Board of the Company and would be eligible for re-appointment on passing of a special resolution by the Company and the Board's report should disclose the justification for such appointment. The appointment and continuation of the term of independent directors are subject to the fulfilment of the conditions as laid by the Companies Act or SEBI Regulations.

No Independent Director should hold office for more than two consecutive terms, but such Independent Director would be eligible for appointment as Independent Director after expiry of three years of ceasing to be an Independent Director. Provided that an Independent Director should not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. However, if a person who has already served as an Independent Director for 5 years is eligible for appointment for one more term of 5 years only provided such appointment is approved by the shareholders by a special resolution.

At the time of appointment of Independent Director and all times thereafter during the tenure as Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to such numbers as may be prescribed under the Companies Act and / or SEBI regulations

**II. Board Diversity**

The NRC should always review the constitution of the Board and recommend for reconstitution of the Board, whenever required, so as to ensure that the Board always consists of members with diversified skill, knowledge, experience and expertise to meet the changing requirements of the Company's business. The NRC should always ensure a balanced Board, consisting of members, each of them are experts in one or more functions of management. The NRC shall also consider applicable section of the Companies Act/SEBI regulations while re-constituting the Board.

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### III. Evaluation

The NRC will devise suitable evaluation criteria and carry out evaluation of performance of every Director.

### IV. Removal

Where any Director attract any disqualification mentioned in the Companies Act or under any other applicable Law, Rules or Regulations made thereunder, the NRC may recommend to the Board with reasons recorded in writing, removal of a Director subject to the provisions and compliance of the said Act, Rules or Regulations and / or SEBI regulations

### V. SUCCESSION

The Committee should plan in advance and recommend constitution of the Board of Directors of the Company in such a way that it consists of a combination of members of all age group so as to ensure smooth succession at all times.

### VI. Relating to the remuneration

#### Remuneration of Non - Executive Directors:

Non-Executive Directors' compensation include payment of a fixed amount as sitting fees for attending the meeting of the Board, Committees or any other meetings of Directors and a Commission on the net profits.

The remuneration payable to the Non-Executive directors within the limits and subject to the conditions as specified in the Companies Act, 2013 and SEBI regulations.

#### **i) Sitting Fees:**

The Non- Executive Directors, both independent and Non-independent are entitled to receive remuneration by way of sitting fees for attending meetings of Board, sub-Committees of the Board, separate meetings of independent directors and any other meetings of the Directors as may be approved by the Board within the limits prescribed by the Central Government from time to time.

#### **ii) Commission**

The Non-Executive Directors are also entitled to a Commission on the net profits of the Company at a fixed amount/percentage on net profits as approved by the shareholders. The overall commission payable to all the Non-executive Directors should not exceed the limit as provided under the Companies Act, 2013 and SEBI regulations

#### **iii) Reimbursement of Expenses:**

The Company should reimburse to the Directors, all the travelling and other out of pocket expenses incurred by them for attending the Board meetings, Meetings of Board Committees or other meetings of Director and the General Body meetings.

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**iv) Stock Options:**

The Company is not offering any stock option to the Non-executive Directors of the Company.

**VII. Directors and Officers Liability Insurance**

The Company should arrange for Directors' and Officers' Liability Insurance policy to protect from the statutory liability of the Managing Director, Whole-time Director, Independent Director, Non- Executive Director, Non- Independent Director, Key Managerial Personnel and Senior Management Personnel. The premium payable on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance should be treated as part of the remuneration.

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