

## TERMS AND CONDITIONS OF RE-APPOINTMENT OF INDEPENDENT DIRECTORS

### 1. Re-appointment

In accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder (**“the Act”**) and other applicable laws, if any, the members of the Company at the 28<sup>th</sup> Annual General Meeting of the Company held on September 21, 2019 have approved the re-appointment of Mr. Ashok Kumar and Dr. Pritam Singh as Independent Directors (**“IDs”**) of the Company from September 23, 2019 up to September 22, 2024, Ms. Deepa Gupta from March 30, 2020 to March 29, 2025 and Mr. Mahendra Nath Verma from May 25, 2020 up to May 24, 2025.

The re-appointment of the Independent Directors will also be subject to the maximum permissible Directorships as per the provisions of the Companies Act, 2013 and in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“Listing Regulations”**), as amended from time to time.

IDs will abide by the Code for Independent Directors detailed in Schedule IV of the Companies Act, 2013 as enclosed in **Annexure**.

### 2. Board Committee

The Board, with adequate delegation of powers has constituted several Committees of Directors, subject to applicable regulations and as advised by the Board, IDs may be required to serve on one or more Committees constituted by the Board. IDs shall continue to be a Chairman/Member of Board Committees of the Company.

### 3. Time Commitment

Time commitment is expected from IDs including attendance at all Board Meetings, Committee Meetings in which ID is a Member and the general meeting of the Company.

IDs are required to hold at least one separate meeting without the attendance of Non-Independent Directors and Members of management. All IDs shall strive to be present at such meeting.

### 4. Roles, Duties and Liabilities

IDs shall act in accordance with the Articles of Association of the Company and subject to the provisions of the Companies Act, 2013, rules made thereunder read with schedule IV of the Act and the Listing Regulations. Detailed Functions, Duties, Liabilities and guidelines for professional conduct of IDs are given in **Annexure**. IDs shall adhere to Schedule IV of the Act (**“Code for Independent Directors”**).

### 5. Status of Appointment

IDs will not be an employee of the Company and their appointment letter shall not constitute a contract of employment.

**6. Remuneration**

**A. Sitting fees**

Subject to the provisions of the Companies Act, 2013 and the Articles of Association of the Company and as per the Listing Regulations, (as amended from time to time) the Non-Executive Directors including IDs shall be entitled to the sitting fees for attending meetings of Board of Directors (“the Board”) or Committee of the Board thereof, an amount which shall be decided by the Board from time to time.

**B. Reimbursement of expenses**

In addition to the above, IDs shall be reimbursed travelling, hotel and other incidental expenses incurred by them in the performance of their role and duties.

**7. Conflict of Interest**

It is accepted and acknowledged that IDs may have business interests other than those of the Company. IDs are required to declare any such directorships, appointment and interests to the Board in the writing in the prescribed form at the time of appointment/re-appointment and in the event that such circumstances seem likely to change and might have rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgment about the independence of the IDs, this should be disclosed to both the Chairman of the Board and the Company Secretary.

**8. Confidentiality**

All information acquired by IDs during their appointment/re-appointment is confidential to Company and should not be released, communicated or disclosed by any means either during their appointment/re-appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory body.

**9. Induction/Training**

The Company shall provide suitable induction to familiarize IDs with their role, responsibilities, nature of the industry in which the Company operates, Company’s strategy, organization structure, business model, operations, functions and risk management. Further, periodic presentations shall be made on the business updates and applicable laws.

**10. Performance Evaluation**

The performance of IDs shall be evaluated annually to the provisions of the Companies Act, 2013 and Listing Regulation.

**11. Directors and Officers (D & O) Liability Insurance Policy**

The Company maintains Directors and Officers Insurance Policy.

**12. Independent Professional Advice**

IDs may take professional advice in furtherance of their duties as a Director and as such it will be appropriate for them to consult independent advisers at the Company’s expense.

**13. Disclosure of Interest**

IDs shall at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made by them, then at the first meeting held after such change, disclose their concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be prescribed under the Act.

**14. Termination**

IDs may resign from their position by serving a reasonable written notice on the Board. Continuation of their appointment is contingent on their getting re-elected by the members in accordance with provisions of the Act and Articles of Association of the Company. IDs will not be entitled for compensation if the shareholders do not re-elect them at any time. The appointment of IDs may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

**15. Governing Law**

The appointment agreement of IDs is governed by and will be interpreted in accordance with Indian law and their engagement shall be subject to the jurisdiction of the Indian courts.

**16. Limitation of Liability under the Act**

Pursuant to the provisions of the Act, a Non-Executive Independent Director will be liable only in respect of such omission or commission by a Company which has occurred with his/her knowledge, attributable through Board process, and with his/her consent or connivance or where he/she had not acted diligently.

**17. Compliance with various Codes of the Company**

IDs would comply with the following Codes/Policies of the Companies (including modifications therein, from time to time):

- (a) Code of Conduct for Directors and Senior Management
- (b) Prevention of Insider Trading Code

The Company has also enforced a Whistle Blower Policy, to provide opportunity to Directors, employees and business partners to raise concern about the serious irregularities with the Company.

**SCHEDULE IV-COMPANIES ACT, 2013 (ACT)**

**I. 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.

**II. Role and functions:**

The independent directors 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) scrutinize 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.

**III. Duties:**

The independent directors 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;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;

- (6) 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;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) 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;
- (10) 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;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) act within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) 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.

**IV. Manner of appointment:**

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfills the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- (4) The appointment of independent directors shall be formalized through a letter of appointment, which shall set out :
  - (a) the term of appointment;
  - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - (d) provision for Directors and Officers (D and O) insurance, if any;
  - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
  - (f) the list of actions that a director should not do while functioning as such in the company; and
  - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

**V. Re-appointment:**

The re-appointment of independent director shall be on the basis of report of performance evaluation.

**VI. Resignation or removal:**

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.
- (3) Where the company fulfills the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

**VII. Separate meetings:**

- (1) The independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) 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.

**VIII. Evaluation mechanism:**

- (1) the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

**Duties of Directors in terms of Section 166 of the Companies Act, 2013 (Act)**

- (1) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
- (2) A director of a company shall 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 interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (6) A director of a company shall not assign his office and any assignment so made shall be void.
- (7) If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

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