



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

In accordance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 ("Act"), shareholders shall appoint Independent Directors of the Company. The appointment of Independent Director shall be done as an Additional Director who shall hold the office upto the date of next Annual General Meeting of the Company. Further the appointment of Independent Director may also be done in the Annual General Meeting of the Company, as and when required.

The terms and conditions applicable for the aforesaid appointment are as follows:

#### **1. Appointment:**

- The appointment of a Director as an 'Independent Non-Executive Director' on the Board of Directors of the Company is subject to the provisions of the Act and rules framed thereunder. Further such appointment of an Independent Non-Executive Director shall not be liable to retirement by rotation as per the provisions of section 149(13) of the Act.
- Notwithstanding other provisions of this Letter, the appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in section 149(6) or on the occurrence of any event as defined in section 167 of the Act.
- Upon termination or upon resignation for any reason, duly intimated to the Company, Director shall not be entitled to any compensation for loss of office.
- By accepting this appointment, the Director confirms that he/she is able to allocate sufficient time to meet the expectations from the role to the satisfaction of the Board.

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

- A. As member of the Board, they along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:
  - Requirements under the Act;
  - "Responsibilities of the Board" and "Obligations with respect to Independent Directors" as outlined in Regulations 4 (2) (f) and 25 respectively and other applicable provisions of the Listing Regulations;
  - Accountability under the Director's Responsibility Statement.

- B. They will also abide by the 'Code For Independent Directors' as outlined in Schedule IV to section 149(8) of the Act, and duties of directors as provided in the Act (including Section 166) and in the Listing Regulations.
- C. They are particularly requested to provide guidance in their area of expertise.
- D. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- E. 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;
- F. strive to attend all meetings of the Board of Directors and of the Board Committees of which he/she is a member;
- G. participate constructively and actively in the Committees of the Board in which they are the chairpersons or members;
- H. strive to attend the general meetings of the Company;
- I. 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;
- J. keep themselves well informed about the Company and the external environment in which it operates;
- K. not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- L. 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;
- M. 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;
- N. report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct;
- O. acting within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees.

### **3. Time Commitment**

They agree to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as an Independent Director.

### **4. Remuneration**

As Independent Director, they will be paid sitting fees for attending the meetings of the Board and the Board Committees of which they are members. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board from time to time.

In addition to the sitting fees, commission if any, that may be determined by the Board may also be paid to them. In determining the amount of this commission, the Board supported by the Nomination and Remuneration Committee may consider performance of the Company and their performance as evaluated by the Board.

Further, the Company may pay or reimburse to the Directors such expenditure, if any, as may have been incurred by them while performing their role as Independent Directors of the Company. This could include reimbursement of expenditure incurred by them for accommodation, travel and any out of pocket expenses for attending Board/ Committee meetings, General Meetings, Court/Tribunal convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of their duties as Independent Directors.

## **5. Code of Conduct**

As Independent Directors of the Company, they agree to comply with the Modern Shares and Stockbrokers Limited Code of Conduct for Non-Executive Directors (NEDs).

Unless specifically authorized by the Company, they shall not disclose Company and business information to constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers.

Their obligation of confidentiality shall survive cessation of their respective directorships with the Company.

The provisions of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations as amended from time to time and the Modern Shares and Stockbrokers Limited Code of Conduct on Prevention of Insider Trading, prohibiting disclosure or use of unpublished price sensitive information would be applicable to the Independent Directors.

Additionally, they shall not participate in any business activity which might impede the application of his independent judgment in the best interest of the Company.

All Independent Directors are required to sign a confirmation of acceptance of the Modern Shares and Stockbrokers Limited Code of Conduct for NEDs as adopted by the Board on an annual basis.

## **6. Training and Development**

The Company may, if required, conduct formal training program for its Independent Directors.

The Company may, 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.

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

As a member of the Board, their performance as well as the performance of the entire Board and its Committees will be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be 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 / Board Committees.

## **8. Disclosures, other directorships and business interests**

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

As Independent Directors, they will, at the first meeting of the Board in which they participate as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect their status as an independent director, submit a declaration that they meet the criteria of independence as provided in Sub section 149(6) of the companies Act, 2013 and clause (b) of sub-regulation (1) of regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 as amended from time to time and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

During their Term, they agree to promptly provide a declaration under Section 149(7) of the Act, upon any change in circumstances which may affect their status as Independent Director.

## **9. Changes of personal details**

During the Term, they shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

## **10. Disengagement**

Any 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/her in the notice, whichever is later.

Their directorships on the Board of the Company shall cease in accordance with law. The Company may disengage Independent Directors prior to completion of Term (subject to compliance of relevant provisions of the Act) upon:

- Violation of any provision of the Modern Shares and Stockbrokers Limited Code of Conduct as applicable to Non - Executive Directors;
- Upon the director failing to meet the criteria for independence as envisaged in Section 149(6) of the Act or the SEBI (LODR Regulations).