

## TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTOR

*Terms and Conditions of appointment of Independent Directors of the Company in accordance with the requirements of Schedule IV to the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:*

### APPOINTMENT:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall 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.

Further, Independent Director, who resigns from the Company, shall not be appointed as an executive / whole time director on the Board of the Company, its holding, subsidiary or associate company or on the board of a company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an Independent Director.

Independent Directors shall register themselves in the databank of Independent Directors in accordance with the provisions of Companies (Appointment and Qualification of Directors), 2014.

### CRITERIA FOR DETERMINING POSITIVE ATTRIBUTES & INDEPENDENCE OF DIRECTORS

#### i. Criteria for determining positive attributes

The Committee shall consider the following factor for determining positive attributes of directors (including Independent Directors);

- a. Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- b. Actively update their knowledge and skills with the latest developments in the sector in which the Company operates and its market conditions and applicable legal provisions.
- c. Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities.
- d. To assist by bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- e. Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the Senior Management of the Company.
- f. To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.

#### ii. Criteria for determining Independence

The Independent Director shall qualify the criteria of independence mentioned in Section 149(6) of the Act and rules made thereunder and the Regulations 16(1)(b) of the Listing Regulations.

## **DIRECTORS' FEES/ REMUNERATION**

- a. The non-executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Act. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board.
- b. All the remuneration of the non- executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) including any commission shall be subject to ceiling/ limits as provided under the Act and rules made thereunder or any other enactment for the time being in force.

The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board or shareholders, as the case may be.

- c. Any remuneration paid to non- executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the Remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - A. The services are rendered by such director in his/her capacity as the professional; and
  - B. In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.
- d. The payment of the commission to the non- executive / Independent Directors will be placed before the Board every year for its consideration and approval. The sitting fee payable to the non-executive / Independent Directors for attending the Board and committee meetings will be fixed, subject to the statutory ceiling. The fee will be reviewed periodically and aligned to comparable best in class companies.
- e. Keeping with evolving trends in industries and considering the time and efforts spent by specific non-executive / Independent Directors, the practice of paying differential commission will be considered by the Board.
- f. The Committee of the Company, constituted for the purpose of administering the employee stock option/ purchase schemes, shall determine the stock options and other share-based payments to be made to directors.
- g. Non- executive / Independent Directors are entitled to be paid all travelling and other expenses they incur for attending to the Company's affairs, including attending meetings of the Company.

## **PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS**

The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The re-appointment of independent director shall be on the basis of report of performance evaluation.

## **SEPARATION**

The separation process of an Independent Director shall be as per the provisions of the Companies Act, 2013 and any other applicable law or regulations.