

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

Term of appointment as an Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company.

The Independent Directors shall be eligible to be re-appointed for another term of up to five consecutive years subject to their willingness, approval of the Board of Directors based on performance evaluation, other factors and shareholders' approval by way of special resolution.

Role, Responsibilities and Functions:

The Independent Directors shall:

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

Duties:

The Independent Directors shall:

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- 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;
- strive to attend all meetings of the Board of Directors and of the Board committees of which he is a Member;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- strive to attend the general meetings of the company;

- 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;
- keep themselves well informed about the company and the external environment in which it operates;
- 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;
- 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;
- report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct;
- acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;

Separate meetings:

- The Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of management;
- All the Independent Directors of the Company shall strive to be present at such meeting;
- The meeting shall:
 - review the performance of non-Independent Directors and the Board as a whole;
 - review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - 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.

Remuneration :

As per the provisions of Section 197(5) of the Act, Independent Directors, shall be entitled to receive remuneration by way of fee for attending meetings of the Board or Committee thereof. Further, Independent Directors, shall also be entitled to receive reimbursement of expenses for participating in the Board and other meetings and commission at a specified percentage of the net profits as per the provisions of the Act.

Liabilities:

Section 149(12) of the Act inter-alia states that, notwithstanding anything contained in this Act, an Independent Director shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.