

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:

Appointment

1. 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.
2. 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.
3. 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.
4. 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.

Role and Duties

The role and duties will be those normally required of a Independent Non Executive Director under the provisions of the Act and as specified under Schedule IV of the Act, defining the guidelines for professional conduct, role and duties of Independent Directors, the requirements under the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, the Articles of Association of the Company etc. which are fiduciary in nature and interalia, are as under:

The Independent Director shall,

- I. act in accordance with the Company's Articles of Association as may be amended from time to time;
- II. 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 interest of the Company;
- III. discharge their duties with due and reasonable care, skill and diligence;
- IV. not involve himself / herself in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
- V. not achieve or attempt to achieve any undue gain or advantage either to self or to their relatives, partners or associates;
- VI. not assign his/her office as Director and any assignments so made shall be void.

The Board of Directors of the Company (“Board”) has constituted the following committees to discharge the delegated functions as provided under the Act or otherwise:

- a. Audit Committee;
- b. Nomination and Remuneration Committee;

- c. Stakeholders Relationship Committee;
- d. Corporate Social Responsibility Committee.

The constitution of the aforementioned Committees (“Committee”) is decided by the Board at its meeting. Whenever such committees are constituted / reconstituted, Independent Directors, subject to their consent at the time of appointment, may be expected to be a member and attend the meetings of one or more of the Committees.

Independent Directors are expected to attend:

- a. Regular Board / relevant Committee meetings and ensure that they have read and understood the contents of all the documents and information provided to them in relation to each Board of Directors / Committee meetings and pursue such additional enquiries as they consider necessary and appropriate to be informed with respect to the Company’s financial and operational performance;
- b. The annual general meeting of the Company;
- c. Such other programs / meetings as may be decided by the Board.

Status of Appointment

The Independent Director shall not be an employee of the Company and letter of appointment shall not constitute a contract of employment. Independent Director will be paid such remuneration by way of sitting fees for attending meetings of the Board and its Committees as may be decided by the Board. Further, Independent Director may also be paid remuneration by way of commission as may be approved by the Board/shareholders from time to time.

Reimbursement of Expenses

In addition to the remuneration described above, the Company will, during the period of appointment, reimburse expenses for participation in the Board or other Committee meetings.

Evaluation

The Board of Directors will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis as per Company's Policy.

Disclosure of Interest

Any material interest that a Director may have in any transaction or arrangement that the Company has entered into should be disclosed not later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record his/her interest appropriately and Company’s records are updated. A general notice that he/she is interested in any contract with a particular person, firm or company is acceptable.

Publication of the letter of appointment

In line with provision of Clause IV sub clause 6 of Schedule IV, under Companies Act, 2013, the Company will make public the terms and conditions of such appointment and will also arrange for it to be displayed on the Company's website.

Termination

Independent Director may resign from his/her position at any time and with a service of a reasonable written notice on the Board. In terms of provisions of the Companies Act, 2013, the resigning Director is required to file a copy of his/her resignation letter with the Registrar of Companies, Madhya Pradesh.

Insurance

The Company has Directors' and Officers' liability insurance and it is intended that the Company will assume and maintain such cover for the full term of his/her appointment.

Code of Conduct

During the appointment, the Independent Director is required to comply with regulations as contained in Schedule IV under Companies Act, 2013, including the following codes / policies of the Company:

- i. Code of Conduct for Board of Directors and Senior Management;
- ii. Code of internal procedures and conduct for Regulating, Monitoring and Reporting of trading by Insiders;
- iii. Other policies as may be applicable to Independent Directors including as a Director of the Company from time to time.

General

This Letter and any non-contractual obligations arising out of or in connection with this Letter are governed by, and shall be construed in accordance with, the laws of India, and the parties agree to submit to the exclusive jurisdiction of the courts of Madhya Pradesh.
