

Terms of Appointment

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS (Pursuant to the provisions of schedule IV to the Companies Act, 2013)

The broad terms and conditions of appointment of Independent Directors are as follows:

I. Role and Induction:

An Independent Director (ID) has the same legal responsibilities as any other director and the Board together has collective responsibility for the success of the Company. Various legal and regulatory provisions will need to be observed when carrying out duties, the most important of these include the Company's Articles of Association and the Indian Companies Act 2013 (as may be amended from time to time). In case the shares of the Company are listed on a recognized Stock Exchange, the Listing Agreement (including provisions on corporate governance) with the Stock Exchange (SE) will also apply. ID will of course be provided with an appropriate induction programme which will explain their role and responsibilities as a director of a listed Indian Company in more detail.

II. Terms of Appointment:

1. The appointment as an ID on the Board will be approved by the members at the AGM. Appointment may be renewed on or prior to the Termination Date inter alia in accordance with the Companies Act, 2013. As Independent Directors, they will not be liable to retire by rotation.
2. On or prior to the Termination Date, ID may resign from his position at any time by serving a reasonable written notice. The written notice of resignation shall be in the form and manner as provided in the Companies Act, 2013.
3. The Appointment may be terminated at any time by the Company in accordance with the Company's Articles of Association or the Companies Act, 2013 including any amendment, modification, variation or re-enactment thereof. Upon such termination or resignation for any reason, ID will not be entitled to any damages for loss of office and no fee/commission will be payable to ID in respect of any unexpired portion of the term of the Appointment.
4. The Board may, if it deems fit, invite ID for being appointed on one or more existing Board Committees and the copies of the terms of reference for each of such committees will be given to ID upon such appointments. Their Appointment on any other Committees of the Company constituted from time to time will be communicated to them.

A) Duties

As a member of the Board along with other Board members, Independent Directors are responsible for fulfilling key functions and duties, as set out under section 149(6) read with Schedule IV of the Companies Act, 2013 and more particularly as follows:

1. Undertaking appropriate induction and regularly updating and refreshing their skills, knowledge and familiarity with the Company.
2. Exercising duties with due and reasonable care, skill and diligence and exercising independent judgment while working 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, and the community.
3. Monitoring the effectiveness of the Company's governance practices and making changes as needed.
4. Monitoring and reviewing Board Evaluation framework, while ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
5. Seeking 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.
6. Help in establishing Committees of the Board with well defined mandates, and full disclosures about composition and working procedures and overseeing the process of disclosure and communications and whenever required participating constructively and actively in the committees of the Board in which ID is a chairperson or a member.
7. Ascertaining and ensuring that the Company has an adequate and functional vigil mechanism and for ensuring that the interest of a person, who uses such a mechanism, are not prejudicially affected on account of such use.
8. Striving to attend all Board Meetings and general meetings of the Company and treating all shareholders fairly, where Board decisions may affect different shareholder groups differently.
9. Reporting concerns about unethical behaviour, actual or suspected fraud or violation of the Company's or Ethics Policy.
10. Complying with all the conditions of the Code of Business Ethics as set out under Schedule IV of the Companies Act, 2013.

B) Fees and Expenses

1. During tenure, ID will be paid sitting fees of Rs. 20,000/- (Rupees Twenty Thousand only) per Board Meeting or any Committee thereof or such revised amounts as the Board may decide from time to time. Fees will be paid after deduction of TDS, as required under applicable law.
2. In addition to the fee described in B (1) above, the Company will reimburse the reasonable expenses incurred by ID for participation in the Board and other Committee meetings. Details of expenses incurred will have to be communicated to the Company Secretary.

3. In addition to above, ID may be remunerated by the Company as authorized by the Board of Directors in accordance with the provisions of the Companies Act, 2013 and the rules thereto.

C) Other directorships and business interests

It is accepted and acknowledged that ID may have business interests other than those of the Company. As a condition precedent to commencement of the appointment, ID is required to declare to the Company any such directorships, appointments and interests to the Board. Thereafter, ID is required to declare to the Company whenever there is any change in the circumstances which may affect his status as an ID.

D) Code of conduct

During the Appointment ID shall comply with relevant regulations as may be issued by Ministry of Corporate Affairs, the Companies Act, 2013 and rules made thereunder including the Schedule IV (Code of Conduct) of the Companies Act, 2013 and such other requirements, as the Board of Directors may from time to time specify.

E) Confidentiality

All information in relation to the Company acquired by ID during the appointment and tenure as an ID is confidential and should not be disclosed to any person or Company (whether during the course of the Appointment or at any time after its termination) by virtue of their position as an Independent Director of the Company.

F) Insurance

The Company has directors' and officers' liability insurance and it is intended to maintain such cover for the full term of the Appointment. The details of this insurance will be provided separately.

G) Compliance

As part of duties ID shall ensure compliance with the following:

- The Act
- The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
- The Listing Agreement between the Company and the Stock Exchange Limited, if and when listed
- The Company's code of conduct for directors and senior management, with which ID is required to confirm compliance annually
- The Company's code of internal procedures and conduct for the prevention of insider trading

H) Miscellaneous

Indian law will apply to Appointment letter of ID and the parties submit to the jurisdiction of the Indian courts at Pune.

Appointment letter of ID constitutes neither a contract for services nor a service contract.