

: Terms and conditions of appointment of Independent Directors :

[Pursuant to Schedule-IV (IV (6)) of the Companies Act, 2013]

1. The term of appointment

- 1.1 The term "Independent Director" (ID) should be construed as defined under the Companies Act, 2013.
- 1.2 An Independent Director shall not be liable to retire by rotation.
- 1.3 The appointment is subject to the provisions of the Companies Act, 2013, and the Rules framed thereunder, as amended from time to time and in force.

2. The expectations of the Board from the appointed Director

- 2.1 As a Non-Executive Independent Director, ID is expected to bring objectivity and independence to the Board's discussions and help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management, as well as ensuring high standards of financial probity and corporate governance. The Board meets at least four times in a year. Ordinarily, all meetings are held in Ahmedabad.
- 2.2 *Confidentiality:* All information acquired during the tenure of directorship is confidential and should not be disclosed, either during the tenure or following expiry of tenure (by whatever mode) to third parties without prior clearance from the Chairman, unless required by law or by the regulatory body. In the latter case, ID would be required to suitably inform the Chairman of such an event or disclosure. On reasonable request, ID shall surrender any documents and other materials made available to ID by the Company.
- 2.3 *Appointment in Board-level committees.* During the tenure of appointment, ID may be asked to serve on one or more of the Board Committees.

3. Disclosures, other directorships and business interests

- 3.1 During the term, ID agrees to promptly notify the Company of any change in his/her directorships, and provide such other disclosures and information as may be required under the applicable laws. ID also agrees that upon becoming aware of any potential conflict of interest with his/her position as Independent Director of the Company, he/she shall promptly disclose the same to the Chairman and the Company Secretary.
- 3.2 During the term, ID agrees to promptly provide a declaration under Section 149(7) of the Companies Act, 2013, regularly and upon any change in circumstances which may affect his/her status as an Independent Director.

4. The fiduciary duties that come with such appointment along with accompanying liabilities

- 4.1 ID's role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the Rules framed thereunder. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and *inter alia* are as under:
 - a) ID shall 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 interests of the Company.
 - b) ID shall discharge duties with due and reasonable care, skill and diligence.
 - c) ID shall strive to attend all meetings including Board, Committee and General Meetings. ID shall actively participate in the meetings.
 - d) ID shall not involve himself/herself in a situation in which he/she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. Any situation that creates a conflict of interest between personal interests and the Company and its stakeholders' interests, must be avoided.
 - e) ID shall not assign his/her office as Director and any assignments so made shall be void.
 - f) ID shall act in accordance with the Company's Articles of Association.
 - g) The above list is only indicative and not exhaustive.

- 4.2 There are certain roles, functions duties prescribed for all Independent Directors, which are listed in the **'Code for Independent Directors'** as outlined in **Schedule-IV** to the Companies Act, 2013. ID shall abide by the said **'Code of Conduct for Independent Directors'** as amended from time to time to the extent relevant and applicable to ID's role.
- 4.3 Any breach of fiduciary duties may warrant civil and criminal action or both. The Companies Act, 2013, envisages huge penalties and imprisonment for such breaches.
5. **ID shall follow the code of business ethics that the Company expects its directors and employees to follow.**
6. **The list of actions that a director should not do while functioning as such in the Company**
ID shall not
- i) enter into any contract or arrangements (save as otherwise permitted under the Companies Act, 2013), wherein he/she is directly or indirectly interested.
 - ii) engage in any way (both directly or indirectly) with the competitors.
 - iii) in any way indulge in activities which may be constructed as conflict of interest or which may be detrimental to the interest of the Company or its stakeholders.
 - iv) in any way indulge in activities which may be constructed as breach of the law of the land.
- The above list is only indicative and not exhaustive.
7. **Sitting fees and reimbursement of expenses for participation in the meetings of the Board and its Committees**
Presently, all the non-whole time Directors are remunerated by way of Sitting Fees (at the rate of Rs.20,000/- (Rupees Twenty Thousand Only) per meeting, subject to applicable taxes) for attending meetings of the Board or Committee thereof and reimbursement of actual to & fro travelling and boarding & lodging expenses incurred for attending such meeting(s).
8. **Status of Appointment**
ID will not be an employee of the Company and this letter shall not constitute a contract of employment.
9. **Cessation of Appointment**
- 9.1 ID may resign from his/her position at any time by serving a reasonable written notice to the Board stating out the reason for resignation.
- 9.2 Continuation of ID's appointment is contingent on him/her getting re-elected by the shareholders in accordance with the provisions of the Companies Act, 2013, and the Articles of Association of the Company.
- 9.3 Further, ID's appointment may be determined in accordance with applicable law.
10. **Others**
- 10.1 This appointment letter is issued based on the prevailing provisions of the Companies Act 2013, and the rules framed thereunder at the time of ID's re-appointment; and any change in therein, shall automatically entail changes in the terms and conditions of this appointment letter.
- 10.2 The Board or/and its Committee is/are empowered to review and change the terms and conditions of this letter. Any change thereof will be informed to ID.
11. **Governing Law**
This letter of appointment is governed by and will be interpreted in accordance with Indian law and ID's engagement shall be subject to the jurisdiction of the Courts at Ahmedabad, Gujarat.

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