

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

PREFACE:

Pursuant to the requirements of clause 6 of sub clause IV of schedule IV , the company is required to have the terms and conditions of appointment of independent Directors (IDs) placed on the website of the company. In compliance of the same, the terms and stipulations for appointment of IDs in the company is placed on the website of the company.

APPOINTMENT TERMS:

The appointment of IDs shall be approved in the shareholders meeting. The Board shall, while selection of IDs, ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

TENURE

The term of appointment of Independent Directors of the Company is for a period of 5 consecutive years from the date of their being appointed or designated as such on the Board of the Company.

Independent Directors will be eligible to be re-appointed for a further period of 5 consecutive years, after the completion of their tenure of first 5 years, subject to Board approval, and the passing of a Special Resolution by Shareholders.

DUTIES OF IDs:

The company imposes the following duties on IDs:

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) 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;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;

- (6) 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;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) 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;
- (10) 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;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.
- (14) It should however be noted that the duties of the IDs would not just be restricted to the above but the Board may nominate Independent Director as the Chairman / Member of other Board Committees, as it may deem fit from time to time.

INSURANCE COVER:

Seeing the mediocre size of the company with paid up capital of just Rs 4.5 crores, the company doesn't provide any insurance cover (Directors and Officers Insurance) to any of its directors and other officers.

CODE OF CONDUCT:

Company's Board has adopted and put in place a Code of Business Ethics. An annual affirmation of compliance is required to be provided by the Independent Directors on the same.

REMUNERATION:

As per the Companies Act, 2013, Directors are entitled to a Sitting Fee for every meeting of the Board/ Committee of Board to the tune of Rs 1,00,000 per meeting but at present the company doesn't pay any sitting fees to its director because of its very small size. However, the board may if so decide, pay the sitting fees to the directors as provided in the Articles of the company, subject to the limits of Rs 1,00,000 as provided in the Act.

COMMISSION:

The company doesn't pay any commission to its directors.

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