



TERMS AND CONDITIONS

OF

APPOINTMENT OF INDEPENDENT DIRECTORS

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[Pursuant to provisions of Schedule IV to the Companies Act, 2013 (“the Act”) and Regulations 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”)]

1. Terms of Appointment

- The term of appointment of an Independent Director (ID) of the Company will be for a period of 5 years unless terminated earlier or extended, as per the provisions of appointment letter or applicable laws. He / She will not be an employee of the Company and the appointment letter shall not constitute a contract of employment. The word “term” should be construed as defined under the Act and the Listing Regulations.
- Appointment of every independent director shall be approved by members of the Company.
- Independent Directors are not liable to retire by rotation.
- Independent Directors will be eligible for re-appointment for another term of 5 consecutive years, after the completion of their tenure of first 5 years, based on recommendation of the Nomination & Remuneration Committee and subject to Board approval, and the passing of a **Special Resolution** by Members. His / Her re-appointment would be considered by the Board, based on the outcome of the performance evaluation process and their continuing to meet independence criteria.

2. Board Meeting and Committee Meeting

The Board may, if it deems fit, invite them for being appointed on one or more existing Board Committees or any such Committee that may be set up in the future. His / Her appointment on such Committee(s) will be subject to the applicable regulations.

He / She is expected to attend Board, Board Committees, to which they may be appointed and Shareholders’ meetings and to devote such time to their duties as deemed appropriate for discharge of their duties effectively. Recommendations / Minutes of the Meetings of the Committees are submitted to the Board for approval.

3. Roles, Duties and Responsibility

The roles and duties of the Independent Director will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013. There are certain

duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are inter-alia as under:

- He / She shall act in accordance with the Company's Memorandum of Association and Articles of Association.
- He / She shall act in good faith in order to promote the objects of the Company for the benefit of the members of the Company as a whole, and in the best interest of the Company.
- He / She shall discharge duties with due and reasonable care, skill, and diligence.
- He / She shall not be involved in a situation in which he/ she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- He / She shall not achieve or attempt to achieve any undue gain or advantage either to himself/ herself or his/ her relatives, partners or associates.
- He / She shall not assign the office of Director and any assignments so made shall be void
- He / She Shall comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities.

In addition to the above, they are also required to discharge the duties, roles, and functions as applicable to Independent Directors as stated under Schedule IV to the Act, as in force and as may be amended from time to time. While performing such duties, roles, and functions, they will be required to abide by the 'Guidelines of Professional Conduct' as stated under the said Schedule.

4. Code for Independent Directors

- The Company has relied on the declaration of the Independent Director that he / she meets the criteria of independence as provided in Section 149(6) of the Act as also in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
- The Independent Director will be required to abide by the guidelines as to

professional conduct for independent directors as set out in Section 149(8) read with Schedule IV to the Act.

- The Independent Director will be required to comply with applicable provisions of any code of conduct framed by the Board for all Board members and Senior Management of the Company under the Listing Regulations.

5. Performance Appraisal / Process of Independent Directors

As a member of the Board, their performance shall be evaluated annually. Evaluation shall be done by all the other Directors. The criteria for evaluation shall be determined by the Nomination & Remuneration Committee and disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board/Committee.

6. Directors' Fees/ Remuneration

Independent Directors will be paid (i) a fixed annual fee as approved by the Shareholders (ii) a sitting fee of Rs 1,00,000 /- (Rupees One Lakh only) for attending each meeting of the board of directors, and (iii) a sitting fee of Rs 25,000 /- (Rupees Twenty Five Thousand only) for attending each meeting of any committee of the board, as per the provisions of Section 197 of the Act 2013, and as fixed by the board, which may be modified from time to time.

7. Expectation of the Board from the Appointed Director

- An Independent Director is expected to bring objectivity and independence of view to the Board's discussions and to 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 and the Audit Committee and Stakeholders' Relationship Committee also meet at least four times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, which are ordinarily convened twice in a year.
- They will be expected to attend meetings of Board and Board Committees in which ID is a member and Members meetings and to devote such time as appropriate to discharge their duties effectively. Ordinarily, all meetings are held at the Corporate Office in Bangalore except Annual General Meeting.

- By accepting the appointment, the Directors confirm that they are able to allocate sufficient time to meet the expectations from their role to the satisfaction of the Board.

8. Code of Conduct and Business Ethics for Board of Directors and Insider Trading Code

- The Board has put in place a Code of Conduct and Ethics for Board of Directors, Key Managerial Personnel and Senior Managerial Personnel (Code). Independent Directors shall abide by the Code. An annual affirmation of compliance is required to be provided by the Independent Directors on the same.
- Directors shall also comply with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Code of Conduct for Prevention of Insider Trading of the Company. The directors shall not make use of unpublished price sensitive information.

9. Stock Options

Independent Directors are not eligible to participate in Stock Options schemes of the Company

10. Conflict of Interest

It is accepted and acknowledged that the appointed IDs may have business interests other than those of the Company. Considering the same, they are required to declare any such directorships, appointments, and interests to the Board in writing in the prescribed form at the time of their appointment.

In the event that circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgments that they are independent, this should be disclosed to both the Chairman and the Secretary.

11. Confidentiality

All information acquired during the appointment is confidential to the Company and should not be released, either during the appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory body. On

reasonable request, the Director shall surrender any documents and other materials made available to them by the Company.

Attention is also drawn to the requirements under the applicable regulations and the Company's Code for Prevention of Insider Trading which is concerned with the disclosure of price sensitive information and dealing in the Company's securities. Consequently, directors should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Company Secretary.

Unless specifically authorized by the Company, the Independent Director shall not disclose Company and business information to public constituencies such as the media, the financial community, employees, members, agents, franchises, dealers, distributors and importers.

12. Termination

Independent Directors may resign from their position at any time and if they wish to do so, they are requested to serve a reasonable written notice on the Board.

Continuation of their appointment is contingent on getting re-elected by the members in accordance with provisions of Companies Act, 2013, the Rules framed thereunder and the Articles of Association of the Company, from time to time in force. They will not be entitled to compensation if the members do not re-elect them at any time.

Their appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

13. Co-operation

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on their part during their Term, they agree to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

14. Miscellaneous

Independent Directors shall give an annual declaration as required under the provision of section 149(7) of the Companies Act, 2013 and the rules made thereunder.

An Independent Director shall not serve as an Independent director in more than seven listed companies as may be stipulated by the Listing Regulations or any other law of the land, for the time being in force.

Further, an Independent Director who is serving as a whole time director in any listed company shall not serve as an Independent director in more than three listed companies or such number of listed companies as may be stipulated by the Listing Regulations or any other law of the land, for the time being in force.