

# **TERMS AND CONDITION OF APPOINTMENT OF**

## **INDEPENDENT DIRECTOR**

*(Pursuant to provisions of Schedule IV to the Companies Act, 2013 and  
Clause 49 (II)(B)(4) of the Listing Agreement)*

The Broad terms and conditions of appointment of Independent Directors is reproduced here under

### **1. TERM OF OFFICE**

The appointment will be commencing from 24<sup>th</sup> September, 2014 for a period of 5 Years or 3 years as may be applicable to the respective Independent Director. The Company may disengage Independent Directors prior to completion of term subject to Compliance of relevant of Companies Act, 2013. They shall not be liable to retire by rotation as per the relevant provisions of the Companies Act, 2013 and Listing Agreement.

### **2. REMUNERATION**

Sitting fee for attending each meeting of Board as well as the Committees thereof of which they are member, attended by them, shall be payable at the rate decided by the Board from time to time subject to applicable law in this regard.

The Company shall reimburse them all expenses properly and reasonably incurred by them for the purposes aforesaid and in performance of duties as per provisions of the applicable laws as per the Company rules and policies.

As independent director they shall not be entitled to any stock option.

### **3. CODE OF CONDUCT, ROLE, FUNCTIONS, DUTIES, MANNER OF APPOINTMENT / REAPPOINTMENT ETC.**

They are expected to abide by the Code for Independent Directors prescribed under Schedule IV to the Companies Act, 2013 and /or any other applicable laws including rules, regulations, listing agreement made with the Stock Exchanges and, in particular, SEBI Act and all applicable Regulations prescribed there under from time to time.

They are particularly requested to provide guidance in their area of expertise.

#### **4. TIME COMMITMENT**

They agree to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as an Independent Director.

#### **5. CODE OF CONDUCT :**

As Independent Directors of the Company they agree to comply with Code of Conduct.

Unless specifically authorized by the Company, they shall not disclose Company and business information to constituencies such as media , the financial Community, employees, shareholders, agents , dealers , distributors etc.

The provisions of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Aarti's Code of Conduct on prevention of Insider Trading, prohibiting disclosure or use of unpublished price sensitive information, would be applicable to the Independent Directors.

Additionally they shall not participate in any business activity which might impede the application of their Independent Judgment in the best interest of the Company.

All directors are required to sign a confirmation of acceptance of Code of Conduct as adopted by the Board on annual basis.

#### **6. PERFORMANCE APPRAISAL / EVALUATION PROCESS -**

As members of the Board, their performance as well as the performance of the entire Board and its Committees will be evaluated annually. Evaluation of each of the Directors shall be done by all the directors. The criteria for evaluation shall be disclosed in the Company's Annual Report. However, the actual evaluation shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board/Committee.

#### **7. DISCLOSURES , OTHER DIRECTORSHIPS AND BUSINESS INTEREST:**

During the term, they shall agree to promptly notify the Company of any change in their directorships, and provide such other disclosure and information as may be required under the applicable laws. They also agree that upon becoming aware of any potential conflict of interest with their

position as Independent Directors of the Company, they shall promptly disclose the same to the Chairman and Company Secretary.

During their term, they agree to promptly provide a declaration under Section 149 (7) of the 2013 Act, upon any change in circumstances which may affect their status as an Independent Director.

**8. CHANGES OF PERSONAL DETAILS ;**

During the Term, they shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personnel details provided to the Company.

**9. DISENGAGEMENT:**

They may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any specified by them in the notice, whichever is later.

Their directorship on the Board of the Company shall cease in accordance with law. The Company may disengage Independent Directors prior to the Completion of Term (Subject to the relevant provisions of the Companies Act 2013) upon:

- Violation of any provision of Code of Conduct
  
- Upon the director failing to meet the criteria for independence as envisaged in section 149(6) of the Companies Act, 2013 or clause 49 of the Listing Agreement.

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