



## TERMS AND CONDITIONS

### FOR

### APPOINTMENT OF INDEPENDENT DIRECTOR

#### **1. Appointment**

- 1.1. Subject to the remaining provisions of this document, the appointment of Independent Director shall be for a term of five years commencing from the date of his/her appointment.
- 1.2. The appointment is subject to the Articles of Association. Nothing in this document shall be taken to exclude or vary the terms of the Articles of Association as they apply to a Director of the Company.
- 1.3. Continuation of contract of appointment is also contingent to Independent Director's performance and any relevant statutory provisions relating to the removal of a director.
- 1.4. As an Independent Director, he/she will not be liable to retire by rotation

#### **2. Termination**

- 2.1. Notwithstanding the foregoing paragraphs, the Board may recommend Independent Director's removal as a Director to the shareholders of the Company if he/she:
  - (a) commit a material breach of his/her obligations under this document; or
  - (b) commit any serious or repeated breach or non-observance of his/her obligations to the Company (which include an obligation not to breach his/her duties to the Company, whether statutory, fiduciary or common-law); or
  - (c) is guilty of any fraud or dishonesty or acted in a manner which, in the opinion of the Company acting reasonably, brings or is likely to bring him/her or the Company into disrepute or is materially adverse to the interests of the Company.
- 2.2. Further, Independent Director's office shall automatically on incurring any disqualification in accordance with the provisions of the Act read with rules framed there under, SEBI LODR Regulations or any applicable law, as amended from time to time or on failing to meet the criteria of independence shall stand terminated.
- 2.3. If there are matters which arise which cause concerns about Independent Director's role he/she should discuss them with the Chairman or the Company Secretary of the Company. If any concerns that cannot be resolved, and he/she choose to resign for that, or any other, reason, he/she should provide an appropriate written statement to the Chairman or the Company Secretary for circulation to the Board.





### 3. Time commitment

- 3.1. The Board normally meets for a minimum of 4 (four) times in a year and holds additional meetings as the occasion requires. As an Independent Director, he/she would also be required to attend a separate meeting of Independent Directors conducted at least once in a financial year.
- 3.2. The Company expect him/her to devote sufficient time and attention to meet the expectations of the role as an Independent Director. He/She will be expected to devote such time as is necessary for the proper performance of the duties and he/she should be prepared to spend sufficient time for preparation for and attendance at:
- scheduled Board meetings
  - scheduled meetings of the committees of the Board in which he/she is appointed as Member
  - scheduled meeting of the independent directors
  - general meetings of members including the AGM
  - updating meetings/training
  - meetings as part of the Board evaluation process
  - such other activity/ meeting as may be required for effective discharge of the professional obligations as an independent director.
- 3.3. Meetings may involve in some travel within India or overseas. Unless urgent and unavoidable circumstances prevent from doing so, it is expected that he/she will attend all the meetings outlined above.
- 3.4. The nature of the role makes it impossible to be specific about the maximum time commitment, and there is always the possibility of additional time commitment in respect of preparation time ahead of board meeting and *ad hoc* matters which may arise from time to time, and particularly when the Company is undergoing a period of increased activity. At certain times it may be necessary to convene additional Board, Committee or Shareholder Meetings.
- 3.5. By accepting the appointment, Independent Director undertake that he/she is able to, and will, devote sufficient time to the duties as required, taking into account all other commitments he/she may have.
- 3.6. The Company recognizes the extensive demand of the time of its directors. Management, under the oversight of the chairman and fellow directors is expected to ensure that the most efficient and productive use is made of the time which the independent directors commit to the Company.

### 4. Role

- 4.1. The Board's role is to effectively represent, and promote the interests of all the stakeholders with a view to adding long-term value to the Company's stakeholders. In the normal course of events, day to day management of the Company is left to management; the Board directs and supervises





the management with regard to the business and affairs of the Company. An independent director has the same general legal responsibilities to the Company as any other director.

4.2. The Independent Director shall acknowledge that the Board as a whole is collectively responsible for the success of the Company. The Board:

- provides entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
- sets the Company's strategic aims, ensures that the necessary financial and human resources are in place for the Company to meet its objectives, and reviews management performance;
- sets the Company's values and standards and ensures that its obligations to its shareholders and others are understood and met.

4.3. He/ She shall acknowledge that in addition to these requirements of all directors, the role of an independent director has the following key elements:

- **Strategy** – Independent Directors should constructively challenge and help develop proposals on strategy.
- **Performance** – Independent Directors should scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
- **Risk** – Independent Directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible.
- **People** – Independent Directors are responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing, and where necessary removing, executive directors and in succession planning.

4.4. The duties and liabilities that come with Independent Director's appointment would be as per the applicable laws of the Company. The laws that currently govern the duties and liabilities of an Independent Director are the Act (including Schedule IV thereto and the Rules thereunder) and SEBI LODR Regulations. In case he/she desires, Company would provide support to help him/her familiarize with the relevant duties and obligations.

## 5. **Fiduciary Responsibility of the Independent Director**

5.1. An Independent Director of the Company shall act in accordance with the articles of association of the Company.

5.2. An Independent Director of the Company 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, its employees, the shareholders particularly the minority shareholders, the community and for the protection of environment.

- 5.3. An Independent Director of the Company shall exercise his duties with due and reasonable care, skill and diligence.
- 5.4. An Independent Director of the Company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company in terms of provisions of the Act read with rules framed there under, SEBI LODR Regulations and other applicable laws, as amended from time to time.
- 5.5. An Independent Director of the Company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such independent director is found guilty of making undue gain, he shall be liable to pay an amount equal to that gain to the Company.
- 5.6. An Independent Director of the Company must act in the way he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to -
- the likely consequences of any decision in the long term;
  - the interests of the Company's employees;
  - the need to foster the Company's business relationships with suppliers, customers and others;
  - the impact of the Company's operations on the community and the environment;
  - the desirability of the Company maintaining a reputation for high standards of business conduct; and
  - the need to act fairly as between members of the Company.
- 5.7. Unless specifically authorized to do so by the Board, an Independent Director of the Company must not enter into any legal or other commitment or contract on behalf of the Company.
- 5.8. Such other duties as may be specified by the Act read with the rules framed there under and SEBI LODR Regulations, as amended from time to time.
- 6. Code for Independent Directors, Business Ethics and Price Sensitive Information**
- 6.1. As an Independent Director he/she is required to abide by the provisions of "Code for Independent Directors" ("**Code**") specified in schedule IV of the Act, as amended from time to time. Compliance with the Code would *inter alia* requires to:
- a) uphold ethical standards of integrity and probity;
  - b) act objectively and constructively while exercising duties;
  - c) exercise responsibilities in a bona fide manner in the interest of the Company;





- d) devote sufficient time and attention to the professional obligations for informed and balanced decision making;
  - e) not allow any extraneous considerations that will vitiate exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
  - f) not abuse the position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
  - g) refrain from any action that would lead to loss of independence; also where circumstances arise which result in loss of independence, inform the Board immediately;
  - h) assist the Company in implementing the best corporate governance practices.
- 6.2. During your period of appointment, he/she is also required to comply with the provisions of the SEBI LODR Regulations and the statutory regulations.
- 6.3. Independent Director's attention is also drawn to the requirements under both law and regulation regarding the disclosure of price sensitive information, and in particular to the Rules, Regulations and guidelines issued by the Securities & Exchange Board of India, the Stock Exchanges and the Code of Conduct for prohibition of insider trading. He/She should avoid making any statements that might risk a breach of these requirements. If in doubt, he/she may contact the chairperson or the company secretary for any guidance in this behalf.
- 6.4. The Company has also formulated "Anant Raj Code of Internal Control Policies and Procedures for Prevention of Insider Trading" ("**Code of Conduct**"). Code of Conduct, as amended by the Board from time to time, is required to be observed by all the directors and designated employees, and their relatives. Apart from the Code of Conduct, he/she will also have to abide by the other statutory policies and codes of the Company during the tenure as an independent director.
- 7. Committee Involvement**
- 7.1. Board committees are formed when it is efficient or necessary to facilitate effective decision-making. From time to time, as deemed fit by the Board, Independent Director may be requested by the Board to serve on one or more Board committees as a member or Chairperson.
- 8. Remuneration and Expenses**
- 8.1. As an Independent Director, he/she is eligible for sitting fees for attending meetings of the Board or committee thereof as decided by the Board from time to time. He/She shall also be eligible for receipt of profit related commission as may be approved by the members and Board from time to time; however, Independent Director shall not be entitled to any stock option.





- 8.2. The Company will reimburse Independent Directors for all expenses, as may be incurred by him/her for participation in the Board and other meetings, such as accommodation, travelling expenses etc., reasonably and properly incurred and documented.
- 8.3. All fees payable shall be subject to income tax and other statutory deductions.
- 8.4. On termination of the appointment, Independent Director shall only be entitled to such fees as may have accrued to the date of termination, together with reimbursement in the normal way of any expenses properly incurred prior to that date.

## 9. Disclosures

- 9.1. During the tenure of Independent Director, he/she shall undertake to provide all the mandatory disclosure to the Company at the first meeting in the beginning of the financial year and in case of any change:
- **Form MBP-1 for disclosure of interest by Directors** [Pursuant to Section 184(1) of the Companies Act, 2013 read with Rule 9(1) of Companies (Meetings of Board and its Powers) Rules, 2014];
  - **Form DIR-8 for non-applicability of disqualification by Directors** [Pursuant to Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014]; and
  - **Declaration of Independence from Independent Directors** [Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of SEBI LODR confirming that he/she has meet the criteria of independence as provided in Section 149(6) of the 2013 Act and Regulation 16(1)(b) of SEBI LODR and that he/she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his/her ability to discharge the duties with an objective independent judgment and without any external influence.

## 10. Board and Individual Director Evaluation Processes

- 10.1. The performance of the Board as a whole, its committees and individual directors is evaluated annually. If, during the tenure of his/her directorship, there are any matters which cause him/her concern about the role he/she may discuss them with the chairman of the Board. Independent Director may also seek the assistance of the key managerial personnel's of the Company, as and when required, for effectively discharging of the duties.

## 11. Outside Interests Including Directorships

- 11.1. It is accepted and acknowledged that Independent Director may have business interests other than those of the Company. He/She is requested to contact the company secretary as soon as possible to arrange for the disclosures of his/her interests, direct or indirect as a shareholder,





director, partner or owner of other companies, body corporate, firms or other entities as required under the Act read with rules framed there under and under SEBI LODR Regulations, as may be amended from time to time.

- 11.2. The Board of the Company, on the basis of certificate of independence submitted by Independent Director, shall determine independence according to SEBI LODR Regulations read with Section 149 and Schedule IV of the Act.
- 11.3. Independent Director shall ensure that the Company is kept informed of any changes to interests from time to time.
- 11.4. In the event that Independent Director become aware of any further potential or actual conflicts of interest, these should be disclosed to the company secretary as soon as they become apparent.
- 11.5. Independent Director shall disclose any direct or indirect interest which he/she may have in any matter being considered at a board meeting or committee meeting and, save as permitted under the articles of association, applicable provisions of the Act read with the rules and regulations framed there under and under SEBI LODR Regulations, he/she will not vote on any resolution of the Board, or of one of its committees, on any matter where he/she has any direct or indirect interest.

## **12. Shareholdings by Directors in the Company**

- 12.1. Directors when buying or selling shares are expected to strictly observe the provisions of the Company's articles of association, the Company's own internal rules including the "Code of Conducts" framed by Company and all relevant legislative and regulatory procedures including, in particular, stock exchange listing requirements.

## **13. Induction and Development Processes**

- 13.1. As soon as practicable, the Company will provide a comprehensive, formal and tailored induction programme aimed at broadening Independent Director's understanding of the Company, its business, and the environment and markets in which it operates. As part of the programme, he/she shall meet key management and receive essential Board and Company information. Independent Director will be expected to make himself/herself available for the purposes of the induction. The company secretary will be in touch with further details.
- 13.2. Independent Director is expected to remain updated on how to best discharge his/her responsibilities as directors of the Company including keeping abreast of changes and trends in economic, political, social, financial and legal climates and governance practices.





#### **14. Directors and Officers Liability Insurance**

- 14.1. The Company provides all its directors with, and pays the premiums for, Directors and Officers Liability insurance cover, while acting in their capacities as directors.
- 14.2. Independent Director may obtain a copy of the relevant policy from the company secretary and satisfy himself/herself as to the suitability and extent of the cover.

#### **15. Confidentiality**

- 15.1. All information acquired during Independent Director's appointment is confidential to the Company and should not be released, communicated, nor disclosed either during his/her appointment or following the expiry of his/her term or vacation (by whatever means) to third parties except as permitted by law and with prior clearance from the Chairman/ Company Secretary.
- 15.2. This restriction shall cease to apply to any confidential information which may (other than by reason of your breach) become available to the public generally.
- 15.3. Independent Director shall acknowledge the need to hold and retain Company information (in whatever format he/she may receive it) under appropriately secure conditions.

#### **16. Changes in personal details**

- 16.1. Independent Director shall advise the company secretary promptly of any change in address or other personal contact details.

#### **17. Return of property**

- 17.1. Upon termination of Independent Director's appointment with the Company (for whatever cause), he/she shall deliver to the Company all documents, records, papers or other company property which may be in his/her possession or under his/her control, and which relate in any way to the business affairs of the Company, and he/she shall not retain any copies thereof.

#### **18. Data protection**

- 18.1. Independent Director's consent to the Company holding and processing information for legal, personnel, administrative and management purposes and in particular to the processing of any sensitive personal data or information (as defined in the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011) as applicable, information relating to:

- (i) password;







- (ii) financial information such as Bank account or credit card or debit card or other payment instrument details ;
- (iii) physical, physiological and mental health condition;
- (iv) sexual orientation;
- (v) medical records and history;
- (vi) Biometric information;
- (vii) any detail relating to the above clauses as provided to body corporate for providing service; and
- (viii) any of the information received under above clauses by body corporate for processing, stored or processed under lawful contract or otherwise.

18.2. Independent Director shall acknowledge that any information that is freely available or accessible in public domain or furnished under the Right to Information Act, 2005 or any other law for the time being in force shall not be regarded as sensitive personal data or information for the purposes of those rules.

18.3. Independent Director's consent to the transfer of such personal information to other offices the Company may have or to other third parties, whether or not outside the Union of India, for administration purposes and other purposes in connection with his/her appointment, where it is necessary or desirable for the Company to do so.

## 19. Law

19.1. Independent Director's engagement with the Company is governed by and shall be construed and interpreted in accordance with the laws of India and his/her engagement shall be subject to the jurisdiction of the courts of Delhi, India.

This document constitutes the entire terms and conditions of Independent Director's appointment and no waiver or modification thereof shall be valid unless in writing and signed by the parties hereto.

