



# MARUDHAR INDUSTRIES LIMITED

## TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS (Pursuant to Schedule IV of the Companies Act 2013)

The broad terms and conditions of appointment of Independent Directors of the Company are hereunder:

### **1. Appointment:**

The appointment of Independent Director will be for a period of five years. Independent Director can be re-appointed for a further period of five years on passing of a special resolution and disclosing the same in Board's Report. No Independent Director shall be appointed for more than two consecutive terms of five years; however such Independent Director shall be eligible for appointment after expiration of three years of ceasing him to be Independent Director.

Reappointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders. The reappointment would be considered by the Board based on the outcome of the performance evaluation process and the directors continuing to meet the independence criteria.

The Company may disengage Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the 2013 Act.

Independent Directors will not be liable to retire by rotation

### **2. Role, duties and responsibilities:**

A. As members of the Board, they along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the Companies Act, 2013
- Accountability under the Director's Responsibility Statement.

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

### **3. 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.



# MARUDHAR INDUSTRIES LIMITED

## **4. Remuneration:**

As Independent Directors, they shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board from time to time.

Further, the Company may pay or reimburse to the Director such expenditure, as may have been incurred by them while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by them for accommodation, travel and any out of pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of their duties as Independent Directors.

## **5. 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 director shall be done by all the other directors. The criteria for evaluation shall be 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. Disclosures, other directorships and business interests:**

During the Term, they agree to promptly notify the Company of any change in their directorships, and provide such other disclosures 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 Company.

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.

## **7. 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



## MARUDHAR INDUSTRIES LIMITED

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 completion of Term (subject to compliance of relevant provisions of the 2013 Act) upon failing to meet the criteria for independence as envisaged in Section 149(6) of the 2013 Act.