

## **TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS**

### **1. Appointment**

- I. Your appointment as Independent Director is for term of five consecutive years commencing from \*\*\*\*\*. Pursuant to the provisions of Section 149(13) of the Companies Act, 2013, you will not be liable to retire by rotation.
- II. Re-appointment at the end of aforesaid term shall be based on the recommendation of Nomination & Remuneration Committee and subject to the approval of Board and Shareholders of the Company. Your re-appointment would be considered based on the performance evaluation process and you continuing to meet independent criteria.
- III. Notwithstanding other provisions of this letter, your appointment is subject to the provisions of the Act, Articles of Association of the Company or the parameters of independence as defined in Section 149(6) of the Companies Act, 2013.

### **2. Board Committees**

The Board of Directors of the Company may from time to time nominate you on the various committees constituted by it. You are expected to perform your duties on the committee with necessary diligence and prudence.

### **3. Commitment, duties and responsibilities**

As a Non-Executive Independent Director, you are expected to bring independence of view to the Board's discussions and to help the Board with effective overview of Company's strategy, performance, social commitments and risk management and ensure high standards of financial integrity and governance. The Board and the Audit Committee meets at least four times in a year. Besides, there are other Committee meetings which are convened based on the business requirements. You will be expected to attend the meetings of the Board and the Committees in which you are appointed and devote such time as may be considered appropriate for you to discharge your duties effectively.

There are certain fiduciary duties prescribed for the Directors and you shall be subjected to the same. Your detailed duties, roles, responsibilities and functions as prescribed in the Companies Act 2013 are detailed out in Annexure I.

In addition to the above, you shall also be required to:

- Follow the "Code for Independent Directors" as specified under Schedule IV of the Companies Act, 2013.
- Responsibilities of the Board of directors as outlined in the SEBI LODR.
- Follow such other policies of the company as may be required and formed from time to time.
- You are particularly requested to provide guidance in area of your expertise.

**4. Liability**

As an independent director, you can be held liable only in respect of such acts of omission or commission by the company which had occurred with your knowledge, attributable through Board processes and with your consent or connivance or where you had not acted diligently.

**5. Remuneration****(a) Sitting fee**

As an Independent Director, you are eligible to receive sitting fees for attending meetings of the Board and Committees of which you are a member, subject to approval by the Board from time to time. Alternatively, you may choose to waive your entitlement to such sitting fees with the consent of all eligible Members.

**(b) Reimbursement of expenses**

The Company shall reimburse you all travelling, hotel and other incidental expenses reasonably incurred by you in the performance of duties as per the provisions of the Companies Act, 2013, and allied rules.

**6. Disclosure of interest**

As per the Companies Act, 2013, you are required to disclose your concern or interest in any company or companies or bodies corporate, firms or other association of individuals which shall include the shareholding in such manner as may be prescribed, to the Board of Directors of Company at the time of your appointment and thereafter, at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made.

Also, at the first meeting of the Board in which you participate as a director and thereafter, at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect your status as an independent director, you must give a declaration that you still meet the criteria of independence as per the applicable laws.

You will also furnish a declaration at the time of your appointment and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances due to which you may incur disqualification to act as a director.

You shall also inform the Company about the committee positions you occupy in other entities and notify changes as and when they take place.

During the term, you shall promptly inform the Company of any change in address or other contact and personal details.

**7. Performance evaluation**

As a member of Board, your performance as well as the performance of entire Board and its Committees shall be evaluated annually. The Nomination and Remuneration Committee of the Company shall lay down the evaluation criteria for performance evaluation of independent directors. The performance evaluation of independent directors shall be done in accordance with the provisions of the Companies Act 2013. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

**8. Technology**

Being a Director, you may make use of video, telephone, electronic mail, any other technology which permits each Director to communicate with every other Director, or any combination of these technologies for the purpose of calling and holding Directors' meetings. You may attend the board or committee meeting through video conferencing or other audio visual means subject to the applicable provisions of the Companies Act, 2013.

**9. Resignation/ Termination**

Apart from the grounds of termination as specified in the Companies Act, 2013, your directorship may be terminated for violation of any provision of the Code of Conduct for Independent Directors as applicable.

You may resign from the directorship by giving a notice in writing to the Company and to the Registrar of Companies, stating therein 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 you in the notice, whichever is later.

If at any stage during the term of your directorship, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the Act, you agree to promptly submit your resignation to the Company with effect from the date of such change.

**10. Co-operation**

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

**11. Confidentiality**

Under Company law, directors have a right to access Company's documents and records, including financial records.

All information which may come to your knowledge during your term is confidential to the Company and should not be released either during your term or following resignation from or termination of your directorship, to any third party, except so far as:

- a) May be necessary in connection with the proper performance of your duties to the Company;
- b) The Company may from time to time authorize you to disclose such information as may be required by you with the condition that you will take all reasonable precautions as may be necessary to maintain the secrecy and confidentiality of all confidential information of the Company;
- c) You may be required by law to disclose.

**12. Orientation/ Induction/ Training**

The Company shall provide suitable training to independent directors to familiarize them with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the Company operates, business model of the Company, risk profile of the business parameters of the Company etc.

**13. Governing law**

This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts.

**DUTIES OF DIRECTORS AS PER SECTION 166 OF THE COMPANIES ACT, 2013**

- a. Subject to the provisions of the Companies Act, 2013, a director of a company shall act in accordance with the articles of the company.
- b. A director of a 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, the community and for the protection of the environment.
- c. A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- d. A director of a 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.
- e. A director of a 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 director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- f. A director of a company shall not assign his office and any assignment so made shall be void.

**EXTRACT OF CODE FOR INDEPENDENT DIRECTORS UNDER SCHEDULE IV OF COMPANIES ACT, 2013**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

**I. Guidelines of professional conduct:**

An independent director shall:

- 1) uphold ethical standards of integrity and probity;
- 2) act objectively and constructively while exercising his duties;
- 3) exercise his responsibilities in a bona fide manner in the interest of the company;
- 4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 5) not allow any extraneous considerations that will vitiate his 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;

- 6) not abuse his 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;
- 7) refrain from any action that would lead to loss of his independence;
- 8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- 9) assist the company in implementing the best corporate governance practices

## **II. Role and functions:**

**The independent directors shall:**

- 1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- 2) bring an objective view in the evaluation of the performance of board and management;
- 3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- 5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- 6) balance the conflicting interest of the stakeholders;
- 7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- 8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest

## **III. Duties:**

**The independent directors shall—**

- 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) act 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.

Yours sincerely,  
**For and on behalf of Trishakti Industries Limited**

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I agree to the terms and conditions set out above regarding my appointment as Independent Director of Trishakti Industries Limited

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