

## **Terms and conditions of appointment of the Independent Directors**

### **I. Appointment:**

Terms and conditions for appointment of Independent Directors of the Company in accordance with the requirements of Schedule IV to the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015: All the Independent Directors of the Company proposed to be appointed for a term of 5 (five) consecutive years by the members at the Extra Ordinary General Meeting of the members of the Company. As per provision of the Companies Act, 2013 and the Articles of Association of the Company an Independent Director eligible for re-appointment further for 5 (five) consecutive years and Independent Directors is not liable to retire by rotation.

### **II. Other Terms and Conditions**

#### **1. Committees:**

- 1.1 During the Appointment, the Independent Director may be required to serve on one or more of the committees of the Board including Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee, as the Board may decide.
- 1.2 He is appointed as an independent non-executive director and will be identified as such in the annual report and other documentation of the Company. If circumstances change, and he believes that his independence will be in doubt, he should discuss the same with the Chairman of the Company as soon as practicable

#### **2. Role and Duties:**

- 2.1 The Independent Director will perform his fiduciary duties in a responsible manner and his general legal responsibilities to the Company will be at par with a non- executive director.
- 2.2 The Independent Director shall act in accordance with the Articles of Association of the Company and while discharging his duties, comply with the requirements of Section 166 and Schedule IV of the Companies Act, 2013 (“the Act”).
- 2.3 The Independent Director will be held liable only in respect of such acts of omission or commission by the Company which have occurred with his knowledge, attributable through Board processes, and with his consent or where he has not acted diligently.

### **3. Code of Conduct for Independent Directors:**

- 3.1 The Company has relied on the declaration of the Independent Director that he meets the criteria of independence as provided in Section 149(6) of the Act and also in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.2 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.
- 3.3 The Independent Director will be required to comply with applicable provisions of any code of conduct framed by the Board of Directors of the Company.

### **4. Restrictions:**

- 4.1 During the term of Appointment, the Independent Directors are expected not to take up directorship in any company (whether in India or abroad) engaged in the same or similar businesses as that of the Company or in a company, business or undertaking which competes or is likely to compete with the Company or which could otherwise potentially give rise to a conflict with his duties with the Company. In the event that the Independent Director becomes aware of any potential conflicts of interest, or in case of doubt, he should consult the Chairman of the Company as soon as practicable.
- 4.2 During the term of Appointment, an Independent Director shall not serve as (a) an independent director in more than the prescribed number of listed companies and (b) a committee member of more than the prescribed number of committees (i.e. the Audit Committee and the Stakeholders' Relationship Committee) including chairmanship of such committees.
- 4.3 During the term of appointment, Independent Director shall not indulge in forward dealings in securities of the Company which is prohibited under the Act. Directors are prohibited from dealing in the Company's securities during the period when the trading window is closed. They should not enter into insider trading and are expected to comply with the Company's code for securities dealing as well as with the concerned provisions of the Insider Trading Laws and Regulations.

4.4 During the term of Appointment, (a) he will neither enter into any agreement for himself/herself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the shares of the Company; and (b) he will not enter into any such agreement referred to in (a) above without obtaining the prior approval from the Board of Directors as well as public shareholders of the Company by way of an ordinary resolution.

#### **5. Time Commitment:**

By accepting the Appointment the Independent Director confirms that he will be able to allocate sufficient time to perform his duties as a director and attend meetings of the Board or any committee thereof. In addition to such attendances, he will be expected to devote appropriate preparation time ahead of each meeting.

#### **6. Disclosure of Interest:**

He shall disclose material interest that in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record his interest appropriately and his records are updated. A general notice that he is interested in any contracts with a particular person, firm or company is acceptable.

#### **7. Evaluation Process:**

The performance of individual directors shall be done by the entire Board, excluding the director being evaluated, on an annual basis.

#### **8. Remuneration:**

In consideration of the Independent Directors' services, the Company will pay him fees as under:

- (i) Rs.5,000/- for attending each meeting of the Board and Rs.3,000/- for any committee thereof or any other meeting of Directors;
- (ii) Subject to approval of Board, in addition to the sitting fees, the Company will reimburse Independent Director, or bear and pay, all travel, accommodation or other expenses incurred as a result of him carrying out his duties as a director.

## **9. Confidentiality:**

The Independent Director agrees that both during and after the term of Appointment, he will not use for his own, or for another's benefit, or disclose or permit the disclosure of any confidential information relating to the Company, subsidiary or any group or associate companies of the Company, which he may acquire by virtue of his position as an independent director. The restriction shall cease to apply to any confidential information which may (other than by reason of the director's breach of this term), become available to the public generally.

## **10. Indemnity:**

The directors are granted an indemnity from the Company in respect of liabilities incurred as a result of their office, to the extent permitted by law.

## **11. Publication of Letter:**

In line with the provisions of Schedule IV to the Act and Clause 49 of the Listing Agreement, the letter of appointment will be open for inspection by any member and the Company will also post the terms and conditions of the appointment on the Company's website

## **12. Governing Law:**

The Appointment and the terms are governed by the laws of India.

**For Kasturi Metal Composite Limited**

**Chairman**