

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

Elantas Beck India Limited (EBIL) is a Public Company having its shares listed on the BSE Ltd. In terms of the requirements of the relevant sections of the Companies Act, 2013 and Clause 49 of the Listing Agreement with BSE, the Company has decided to adopt following terms and conditions for appointment of its Independent Directors.

As per the clause 49(II)(B)(4)(b) of the Listing Agreement (effective from October 1, 2014) with the Stock Exchanges, the terms and conditions of appointments need to be disclosed on the website of the Company.

The Terms & conditions of appointment of all the Independent Directors are subject to Company Policy, the Articles of Association, relevant applicable provisions of the Act read with Schedule IV of the Act and Rules made thereunder, Clause 49 of the Listing Agreement and other applicable law for the time being in force.

A. Appointment

- i) Period: The appointment is for a consecutive period of 5 years on non-rotational basis unless otherwise terminated earlier by either side in terms of section 168 or 169 of the Act, as applicable
- ii) The Independent Directors will abide by the Code of Conduct of the Company and as given in the Schedule IV of the Act.
- iii) 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.
- iv) The directors may be requested to be a member / Chairman of any one or more Committees of the Board which may be constituted from time to time

B. Role, Duties and Responsibilities

The role and duties of Independent Directors will be as provided under the applicable law, including the Act and in conformity with Section 149(8) read with Schedule IV of the Act and Clause 49 of the Listing Agreement, including in relation to attendance of meetings, maintenance of confidentiality, safeguarding the interests of the stakeholders, bringing objective judgement, asking clarifications, etc.

The Independent Directors along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- i. Adherence to the requirements under the Companies Act, 2013;
- ii. "Responsibilities of the Board" as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under Clause 49 of the Listing Agreement;
- iii. Accountability under the Director's Responsibility Statement.

They shall abide by the 'Code For Independent Directors' as outlined in Schedule IV to section 149(8) of the 2013 Act, and duties of directors as provided in the 2013 Act (including Section 166) and in Clause 49 of the Listing Agreement.

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

The Independent Directors of the Company shall have some responsibilities similar to those of any other Director on the Board. However, pursuant to section 149(12) of the Act, Independent Directors shall be liable only in respect of such acts, omissions or commissions of the Company which had occurred with their knowledge acquired through the Board process and with their consent or connivance or where they had not acted diligently.

C. Fees, Commission and reimbursement of expenses

Independent Directors shall be paid (i) sitting fees for attending each meeting of the Board of Directors of the Company and committees thereof, as may be decided by the Board from time to time and (ii) commission as may be decided by the Board, subject to the approval of the shareholders.

In determining the amount of the commission, the Board supported by the Nomination and Remuneration Committee may consider performance of the Company and that of Independent Director as evaluated by the Board.

In addition to the remuneration described above, the Company will, during the tenure of Independent Directors, reimburse them for travel, hotel and other incidental expenses incurred by them in the performance of their role and duties.

Independent Directors shall not be entitled to any stock options that may be issued by the Company.

D. Insurance

The Independent Directors are covered by the Directors' and Officers' (D&O) liability insurance maintained by the Company.

E. Time Commitment

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

F. Evaluation

The performance of Independent Directors will be evaluated as per the requirements of the Act and the Listing Agreement.

G. Disengagement

Independent Director may resign from his position at any time by serving a written notice to the Board stating out the reason 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 him in the notice, whichever is later. Further, appointment of Independent Director may also be terminated in accordance with applicable law.

Continuation of appointment of Independent Director is contingent on his/her willingness to continue as an Independent Director, and getting re-appointed by the shareholders in accordance with applicable law. Independent Director will not be entitled to compensation in case the shareholders of the Company do not re-appoint him/her at any time.

The Company may, subject to compliance of relevant provisions of the 2013 Act, disengage Independent Directors prior to completion of his Term, upon violation of any provision of the Code of Conduct as applicable to the Independent Director and / or upon the Independent Director failing to meet the criteria for independence as envisaged in Section 149(6) of the Act.

H. Conflict of Interest

It is accepted and acknowledged that Independent Directors may have business interests other than those of the Company. They are required to disclose any such appointment, directorships to the Board in writing in the prescribed form. During their term, the Independent Directors agree to promptly provide declaration under Section 149(7) of the Act, upon any change in circumstances which may affect their status, individually, as Independent Director. Further, they also agree to confirm, individually, compliance with the said criteria of independence every financial year.

I. Confidentiality

The Independent Directors shall maintain all information acquired by them during their tenure as confidential to the Company and shall not release, communicate or disclose by any means either during their tenure or following cessation of their tenure to any person without prior permission of the Board of Directors of the Company.

Independent Director is subject to and bound by the prohibition and restrictions against insider trading and disclosure of unpublished price sensitive information, as prescribed under the Act and the regulations issued by the Securities and Exchange Board of India (“SEBI”). Independent Director would have to strictly abide by the Code of Conduct for Prevention of Insider Trading of the Company under SEBI (Prohibition of Insider Trading) Regulations, 1992(as amended or replaced from time to time).

Annexure

The appointment of Independent Directors shall be formalized through a letter of appointment, which shall set out:

- (a) Term of appointment;
- (b) Expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
- (c) Fiduciary duties that come with such an appointment along with accompanying liabilities;
- (d) Provision for Directors and Officers (D & O) insurance, if any;
- (e) Code of Business Ethics that the company expects its directors and employees to follow;
- (f) List of actions that a director should not do while functioning as such in the company; and
- (g) Remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (h) Other Directorships and Business Interests
- (i) Confidentiality
- (j) Performance Evaluation
- (k) Disengagement

The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the Company by any member during normal business hours.

The terms and conditions of appointment of Independent Directors shall also be posted on the company's website.
