

**DORF-KETAL CHEMICALS INDIA
LIMITED**

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

T&C for Appointment of Independent Director

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

[Pursuant to the provisions of Schedule IV to the Companies Act, 2013 (“the Act”) and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 including amendments thereto]

1. APPOINTMENT

In accordance with the provisions of the Companies Act, 2013 and other applicable laws, an Independent Director shall serve the office for a term up to consecutive 5 (five) years commencing from the date of his/her appointment, subject to the approval of shareholders at the General Meeting of the Company and shall not be liable to retire by rotation. Further, the Independent Director shall be appointed subject to the fulfilment of criteria of being an independent director and shall not be disqualified of being a Director. The Company may disengage Independent Directors prior to completion of their Term, subject to compliance of relevant provisions of the 2013 Act.

Independent Directors will not be liable to retire by rotation.

Re-appointment 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 Members. The re-appointment would be considered based on the outcome of the performance evaluation process and the Independent Director continuing to meet the independence criteria.

2. MEMBERSHIP IN BOARD & OTHER COMMITTEES

The Independent Director may be asked to serve on one or more committees set up by the Board of Directors of the Company and copies of the terms of reference for each of those committees shall be provided to the Independent Director. This committee includes:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders’ Relationship Committee
- Corporate Social Responsibility Committee
- Environmental, Social & Governmental Committee
- Risk Management Committee,

3. ROLE, DUTIES AND RESPONSIBILITIES

A. Roles & Responsibilities of Independent Director

- a) As a member of the Board you along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:
 - Requirements under the Companies Act, 2013,
 - Responsibilities of the Board as outlined in the Listing Regulations,

T&C for Appointment of Independent Director

- Accountability under the Directors' Responsibility Statement.
 - Performance Evaluation of Board of Directors & management in lines with agreed goals and objectives;
- b) They shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to Section 149(8) of the Act, and the duties of directors as provided in the Act (including Section 166) and in Regulation 4(2)(f) of the Listing Regulations.
- c) They will be particularly requested to provide guidance in their area of expertise.

B. Duties of Independent Director

The Duties of an Independent Director are enlisted below:

- a) To promptly inform the Company about changes, if any, in disclosure of interest and declarations furnished by an independent Director to the Company;
- b) To 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.
- c) To strive to attend the Board and General Meetings of the Company.
- d) To participate constructively and actively in the committees of the Board in which he/she is a chairperson or member.
- e) To bring an Independent judgment to bear in the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- f) To pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure that the same are in the interest of the company.
- g) To 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.
- h) To report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- i) To act within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees.
- j) To follow the duties as specified in the applicable laws, the Company's policies and the Articles of Association and the Companies Act, 2013;

4. TIME COMMITMENT

Considering the nature of the role of a director, it is difficult for a company to lay down specific parameters on time commitment. They agree to devote such time as is prudent and necessary for the proper performance of their roles, duties and responsibilities as Independent Directors.

5. REMUNERATION

T&C for Appointment of Independent Director

As Independent Directors they shall be paid sitting fees for attending the meetings of the Board and the Committees, as may be applicable, 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.

In addition to the sitting fees, commission that may be determined by the Board may also be payable to Independent Directors. In determining the amount of this commission, the Board, supported by the Nomination and Remuneration Committee, may consider the performance of the Company and their performance as evaluated by the Board.

Further, the Company may pay or reimburse to the Director such expenditure, as may have been incurred while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure incurred for accommodation, travel and any out of pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with Members/ 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 the duties as an Independent Director.

6. CONFIDENTIALITY

All information acquired during the appointment is confidential to Dorf-Ketal Chemicals India Limited and should not be released, either during the appointment or following termination (by whatever means) to third parties without prior clearance from the Board of directors of the company unless required by law or by the rules of any stock exchange or regulatory body.

7. PERFORMANCE EVALUATION

- i. Performance of the Independent Directors shall be done by the entire board of directors.
- ii. The criteria for evaluation of performance shall be determined by the Nomination and Compensation Committee of the Board as specified in SEBI (Listing Obligation and Disclosure Requirements).

8. DISCLOSURES, OTHER DIRECTORSHIPS AND BUSINESS INTERESTS

During the Term, they agree to promptly notify the Company of any change in their directorships, Memberships 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 Director of the Company, they shall promptly disclose the same to the Chairman and the Company Secretary.

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.

9. CHANGES OF PERSONAL DETAILS

During the Term, they shall promptly intimate the Company Secretary and the Ministry of Corporate Affairs in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

10. PROHIBITION ON INSIDER TRADING AND CODE OF CONDUCT

T&C for Appointment of Independent Director

The Independent Directors are prohibited from dealing in the Company's shares during the period when the trading window is closed. Further, directors, being designated officers of the Company for the purpose of insider trading guidelines, are to pre-clear all trades (buy/sell/gift) from the Chairman & Managing Director of the Company and the Compliance Officer. The Director is required to comply with the applicable insider trading laws and regulations. He shall follow the Code for Independent Director' as per Schedule IV of the Companies Act, 2013 and 'MIEL Code of Conduct" which will be enclosed with the letter of appointment.

11. INDEPENDENT DIRECTORS' DISCUSSION

Annually and when required, the Independent Directors meet without the presence of Non-Independent Directors and members of the Management. At this meeting, the Independent Directors inter alia evaluate the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluate the performance of the Chairman of the Board and discuss aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

12. EXTENSION OF TERM

Upon the expiry of your First Term and subject to your eligibility under the relevant provisions of the Act, Rules, Listing Regulations and other applicable laws, as prevailing from time to time and subject to annual performance evaluation and recommendations of the Nomination and Remuneration Committee, the Board may, at its discretion, recommend to the shareholder's renewal of your term.

13. DISENGAGEMENT/ CESSATION

- i. The appointment of the Independent Director may be terminated with or without cause at any time by the Company with immediate effect, in accordance with the Companies Act, 2013 and Rule and Regulations made thereunder and the Company's Articles of Association, as applicable if the Board of Directors (excluding the concerned Independent Director) is of opinion that the continued appointment is not in the interest of the Company.
- ii. The Independent Director may resign from his position at any time by serving a reasonable written notice to the Board of Directors stating out the reason of resignation.

14. MISCELLANEOUS

- Independent Directors shall give an annual declaration as required under the provision of section 149(7) of the Companies Act, 2013 and the rules made thereunder.
- An Independent Director shall not serve as an Independent director in **more than seven listed companies** as may be stipulated in the LODR or any other law of the land, for the time being in force.
- Further, an Independent Director who is serving as a whole time director in any listed company shall not serve as an Independent director in **more than three listed companies** or such number of listed companies as may be stipulated in the LODR or any other law of the land, for the time being in force.
