

Insert Date [●]

To,

[●] Name of the Independent Director

[●] Address of the Independent Director

**Sub: Appointment as an Independent Director of the Company**

Dear (Name of the Independent Director),

We thank you for confirming to us that you meet the independence criteria and satisfy all other eligibility conditions for appointment as an Independent Director of the Company as provided under Section 149, and other applicable provisions of the Companies Act, 2013 (“the Act”) and Regulation 16 of the Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). We also thank you for consenting to hold office as an Independent Director of the Company.

It gives me immense pleasure to inform you that the Board of Directors of the Company at their meeting held on **(Date of the meeting)** have, on the recommendations of the Nomination and Remuneration Committee, appointed you as an Additional and Independent Director of the Company, for a tenure of 5 (five) consecutive years starting from [●] to [●], subject to the approval of shareholders of the Company.

This letter is being issued outlining the terms of your appointment, subject to the provisions of applicable laws including the provisions of the Act, the Listing Regulations, and the Articles of Association of the Company.

**1. Appointment/ Re-appointment:**

Your appointment as an Independent Director on the Board of the Company shall be effective from [●] for a period of 5 (five) consecutive years up to [●], subject to the approval of shareholders of the Company. Your office shall not be liable to retirement by rotation in accordance with the provisions of the Act.

Re-appointment at the end of the term shall be based on the recommendation of the Nomination and Remuneration Committee, report of performance evaluation and subject to the approval of Board and shareholders of the Company.

The Board may from time to time request you to participate or be a member of other Committees of the Board of Directors, subject to your agreement. The list of Committees of the Board and their terms of reference is appended and marked as **Annexure I** for your reference.

As of now, meetings of the Board and its Committees are held through video conference in view of the ongoing COVID - 19 pandemic related precautions and restrictions. Once the condition improves on the pretext of Covid, meetings will be held physically, if you cannot make it to a meeting, you can connect via video conference facility, in accordance with the provisions of the Act.

**2. Role & Duties:**

The Company expects its directors to uphold ethical standards of integrity and probity. As an Independent Director, you shall be required to undertake such roles, responsibilities, duties & functions as prescribed in Schedule IV and such other applicable provisions, if any, of the Act, Listing Regulations, other applicable laws, and such other duties as may be determined by the Board from time to time.

As an Independent Director of the Company, you shall be required to bestow all the fiduciary duties along with the accompanying liabilities that come with your appointment as an Independent Director.

A copy of Code for Independent Directors as per Section 149(8) of the Act read with Schedule IV along with extracts of other relevant provisions of the Act and Listing Regulations is enclosed and marked as **Annexure II** for your reference.

**3. Directors and Officers insurance:**

The Company has availed a Directors' & Officers' Liability. Quantum, risks determined, and other parameters provided in the Policy have been found to be commensurate with the size and nature of business of the Company by the Board of Directors.

The said Policy shall be extended to you from the date of your appointment.

**4. Code of Conduct:**

The following Codes of Business ethics are applicable to the Independent Directors:

- a. Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons;
- b. Code of Conduct for Directors and Senior Management Personnel;
- c. Whistle Blower Policy;
- d. Code of Fair Disclosures; and
- e. such other codes as may be prescribed, subject to the approval of the Board, from time to time.

A copy of the aforementioned Codes along with other policies of the Company are available on the website of the Company at [www.bhartiya.com](http://www.bhartiya.com).

An Independent Director shall not perform any actions which are in violation of the provisions of law and Codes and Policies of the Company.

With the acceptance of this letter, you agree to comply with such charters and policies, as may be applicable to the Company and its Directors and acknowledge that you are in conformity with them.

**5. Remuneration:**

A Non-Executive Director shall be entitled to remuneration by way of commission paid annually and sitting fees for attending meetings of the Board and its Committees in accordance with the provisions of the Act.

**Board Sitting Fees:**

The sitting fees payable for your attendance at each Board Meeting and meeting of the Committee, in which you may be nominated as a member, shall be as determined by the Board from time to time not exceeding rupees one lakh per meeting of the Board or Committee.

**Commission:**

As per the provisions of Section 197(1)(ii) of the Act the remuneration payable to the non-executive directors shall not exceed 1% of the net profit of the Company calculated under Section 198 of the Act read with Companies (Appointment and Remuneration) Rules, 2014.

The commission, as approved by the Board, in accordance with the provisions of Section 197 of the Act shall be paid annually for each financial year, on such criteria as may be determined by the Board.

In addition, you will also be paid /reimbursed all travel and hospitality expenses related to your assignment as a member of the Board or its Committees.

The Independent Director shall not be entitled to any Stock Option, unless permitted under the provisions of the Act and Listing Regulations.

#### **6. Disclosures:**

During your term, you may promptly notify the Company, any changes in your directorships and submit such disclosures, information and details as may be required under applicable law. During your tenure, you agree to provide a "Declaration of independence" under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations upon any change in circumstances which may affect your status as an Independent Director of the Company.

#### **7. Trading in the Shares of the Company**

You and your immediate relatives should not trade in the securities of the Company, except in the manner stated in the Company's Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and with the approval of the Compliance Officer.

#### **8. Confidentiality:**

All non-public information obtained during your appointment is confidential to the Company and should not be released, either during your appointment or following cessation (by whatever means) to third parties without prior clearance from the Chairman, or as required by law.

#### **9. Resignation/ Removal:**

Notwithstanding the other provisions of this letter, your appointment may be terminated at any time by the Board in accordance with the provisions of the Act and Articles of Association of the Company or that you may resign by written notice along with detailed reasons.

#### **10. Change in Personal details:**

During the term, you shall promptly intimate the Company Secretary in the prescribed manner of any change in the address or other contact and personal details provided to the Company.

I look forward to welcoming you on the Board. I am sure that the Board and the Company will benefit substantially from your valuable contribution and inputs.

Yours sincerely,

**For Bhartiya International Limited**

**Director/Autorised Signatory**

Encl: a/a

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#### **Agree and Accept**

I have read and understood the terms of my appointment as an Independent Director of the Company, and I hereby affirm my acceptance to the same.

# **TERMS OF REFERENCE OF COMMITTEES OF THE BOARD**

Date: 12<sup>th</sup> July, 2022

<b>Sr. No.</b>	<b>Name of the Committee(s)</b>	<b>Page No.</b>
1.	<u>Audit Committee</u>	6
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**Annexure-I****TERMS OF REFERENCE OF THE COMMITTEES OF THE BOARD OF DIRECTORS OF BHARTIYA INTERNATIONAL LIMITED****1. AUDIT COMMITTEE**Terms of reference:

1. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a.) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b.) changes, if any, in accounting policies and practices and reasons for the same;
  - (c.) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d.) significant adjustments made in the financial statements arising out of audit findings;
  - (e.) compliance with listing and other legal requirements relating to financial statements;
  - (f.) disclosure of any related party transactions;
  - (g.) modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. *reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;*
14. *discussion with internal auditors of any significant findings and follow up there on;*
15. *reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;*
16. *discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;*
17. *to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;*
18. *to review the functioning of the whistle blower mechanism;*
19. *approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;*
20. *Carrying out any other function as is mentioned in the terms of reference of the audit committee.*
21. *reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.*
22. *consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.*
23. *management discussion and analysis of financial condition and results of operations;*
24. *management letters / letters of internal control weaknesses issued by the statutory auditors;*
25. *internal audit reports relating to internal control weaknesses; and*
26. *the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.*
27. *statement of deviations:*
28. *quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).*
29. *annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).*

**2. NOMINATION AND REMUNERATION COMMITTEE:**Terms of reference:

1. *formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;*

*(1A). For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:*

- a. *use the services of an external agencies, if required;*
  - b. *consider candidates from a wide range of backgrounds, having due regard to diversity; and*
  - c. *consider the time commitments of the candidates.*
2. *formulation of criteria for evaluation of performance of independent directors and the board of directors;*
  3. *devising a policy on diversity of board of directors;*
  4. *identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.*
  5. *whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.*
  6. *recommend to the board, all remuneration, in whatever form, payable to senior management.*

**3. STAKEHOLDERS RELATIONSHIP COMMITTEE:**Terms of reference:

1. *Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.*
2. *Review of measures taken for effective exercise of voting rights by shareholders.*
3. *Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.*
4. *Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.*



**4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

Terms of reference:

1. *Recommend the amount of expenditure to be incurred on the activities;*
2. *Monitor implementation and adherence to the CSR Policy of the Company from time to time;*
3. *Prepare a transparent monitoring mechanism for ensuring implementation of the projects/ programmes/activities proposed to be undertaken by the Company; and*
4. *Such other activities as the Board of Directors may determine from time to time.*

**5. SHAREHOLDERS COMMITTEE**

Terms of reference:

1. *To issue share certificates pursuant to duplicate/ remat/ renewal requests as and when received by the Company;*
2. *To approve the register of members as on the record date(s) and/or book closure date(s) for receiving dividends and other corporate benefits;*
3. *To review correspondence with the shareholders vis-à-vis legal cases and take appropriate decisions in that regard;*
4. *To authorise affixing of the Common seal of the Company from time to time on any deed or other instrument requiring authentication by or on behalf of the Company; and*
5. *Such other activities as the Board of Directors may determine from time to time.*

**Annexure-II****CODE FOR INDEPENDENT DIRECTORS AS PER SECTION 149(8) OF THE ACT READ WITH SCHEDULE IV ALONG WITH EXTRACTS OF OTHER RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013 AND SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.****Chapter XI – APPOINTMENT AND QUALIFICATIONS OF DIRECTORS****Section 149 of the Companies Act, 2013 – Company to have Board of Directors.**

1. Every company shall have a Board of Directors consisting of individuals as directors and shall have—
  - a. a minimum number of three directors in the case of a public company, two directors in the case of a private company, and one director in the case of a One Person Company; and
  - b. a maximum of fifteen directors:

*Provided that a company may appoint more than fifteen directors after passing a special resolution:*

*Provided further that such class or classes of companies as may be prescribed, shall have at least one woman director.*

2. Every company existing on or before the date of commencement of this Act shall within one year from such commencement comply with the requirements of the provisions of sub-section (1).
3. Every company shall have at least one director who has stayed in India for a total period of not less than one hundred and eighty-two days in the previous calendar year.
4. Every listed public company shall have at least one-third of the total number of directors as independent directors and the Central Government may prescribe the minimum number of independent directors in case of any class or classes of public companies.

*Explanation.—For the purposes of this sub-section, any fraction contained in such one-third number shall be rounded off as one.*

5. Every company existing on or before the date of commencement of this Act shall, within one year from such commencement or from the date of notification of the rules in this regard as may be applicable, comply with the requirements of the provisions of sub-section (4).
6. An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director,—
  - (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
  - (b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;  
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
  - (c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
  - (d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed,

whichever is lower, during the two immediately preceding financial years or during the current financial year;

(e) who, neither himself nor any of his relatives—

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;

(i) holds together with his relatives two per cent. or more of the total voting power of the company; or

(ii) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or

(f) who possesses such other qualifications as may be prescribed.

7. Every independent director shall at the first meeting of the Board in which he participates 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 his status as an independent director, give a declaration that he meets the criteria of independence as provided in sub-section (6).

*Explanation.—For the purposes of this section, —nominee director* means a director nominated by any financial institution in pursuance of the provisions of any law for the time being in force, or of any agreement, or appointed by any Government, or any other person to represent its interests.

8. The company and independent directors shall abide by the provisions specified in Schedule IV.

9. Notwithstanding anything contained in any other provision of this Act, but subject to the provisions of sections 197 and 198, an independent director shall not be entitled to any stock option and may receive remuneration by way of fee provided under sub-section (5) of section 197, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members.

10. Subject to the provisions of section 152, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.

11. Notwithstanding anything contained in sub-section (10), no independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director:

*Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.*

*Explanation.—For the purposes of sub-sections (10) and (11), any tenure of an independent director on the date of commencement of this Act shall not be counted as a term under those sub-sections.*

12. *Notwithstanding anything contained in this Act,—*

(i) *an independent director;*

(ii) *a non-executive director not being promoter or key managerial personnel,*

*shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.*

13. *The provisions of sub-sections (6) and (7) of section 152 in respect of retirement of directors by rotation shall not be applicable to appointment of independent directors.*

**CHAPTER XI OF THE COMPANIES ACT, 2013 – APPOINTMENT AND QUALIFICATIONS OF DIRECTORS****Section 166 of the Companies Act, 2013 – Duties of Directors.**

1. *Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.*
2. *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 environment.*
3. *A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.*
4. *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.*
5. *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.*
6. *A director of a company shall not assign his office and any assignment so made shall be void.*
7. *If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.*

**SCHEDULE IV OF THE COMPANIES ACT, 2013****Code for Independent Directors**

*The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment 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) scrutinise 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) acting 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.*

**IV. Manner of appointment:**

- (1) *Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.*
- (2) *The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.*
- (3) *The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.*
- (4) *The appointment of independent directors shall be formalised through a letter of appointment, which shall set out:*
  - (a) *the term of appointment;*
  - (b) *the 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) *the fiduciary duties that come with such an appointment along with accompanying liabilities;*
  - (d) *provision for Directors and Officers (D and O) insurance, if any;*
  - (e) *the Code of Business Ethics that the company expects its directors and employees to follow;*
  - (f) *the list of actions that a director should not do while functioning as such in the company; and*
  - (g) *the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.*
- (5) *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.*
- (6) *The terms and conditions of appointment of independent directors shall also be posted on the company's website.*

**V. Re-appointment:**

*The re-appointment of independent director shall be on the basis of report of performance evaluation.*

**VI. Resignation or removal:**

- (1) *The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.*
- (2) *An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.*
- (3) *Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.*



**VII. Separate meetings:**

- (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;*
- (2) All the independent directors of the company shall strive to be present at such meeting;*
- (3) The meeting shall:*
  - (a) review the performance of non-independent directors and the Board as a whole;*
  - (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;*
  - (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.*

**VIII. Evaluation mechanism:**

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.*
- (2) 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.*

**SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015****Regulation 25 – Obligations with respect to independent directors.**

- (1) *No person shall be appointed or continue as an alternate director for an independent director of a listed entity with effect from October 1, 2018.]*
- (2) *The maximum tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard, from time to time.*
- (2A). *The appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution.]*
- (3) *The independent directors of the listed entity shall hold at least one meeting in a [financial] year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.*
- (4) *The independent directors in the meeting referred in sub-regulation (3) shall, inter alia-*
- (a) review the performance of non-independent directors and the board of directors as a whole;*
  - (b) review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;*
  - (c) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.*
- (5) *An independent director shall be held liable, only in respect of such acts of omission or commission by the listed entity which had occurred with his/her knowledge, attributable through processes of board of directors, and with his/her consent or connivance or where he /she had not acted diligently with respect to the provisions contained in these regulations.*
- (6) *An independent director who resigns or is removed from the board of directors of the listed entity shall be replaced by a new independent director by listed entity at the earliest but not later than three months from the date of such vacancy:*
- Provided that where the listed entity fulfils the requirement of independent directors in its board of directors without filling the vacancy created by such resignation or removal, the requirement of replacement by a new independent director shall not apply.*
- (7) *The listed entity shall familiarise the independent directors through various programmes about the listed entity, including the following:*
- (a) nature of the industry in which the listed entity operates;*
  - (b) business model of the listed entity;*
  - (c) roles, rights, responsibilities of independent directors; and*
  - (d) any other relevant information.*
- (8) *Every independent director shall, at the first meeting of the board in which he participates 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 his status as an independent director, submit a declaration that he meets the*

*criteria of independence as provided in clause (b) of sub-regulation (1) of regulation 16 and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.*

- (9) *The board of directors of the listed entity shall take on record the declaration and confirmation submitted by the independent director under sub-regulation (8) after undertaking due assessment of the veracity of the same.*
- (10) *With effect from {January 1, 2022}, the top {1000} listed entities by market capitalization calculated as on March 31 of the preceding financial year, shall undertake Directors and Officers insurance ('D and O insurance') for all their independent directors of such quantum and for such risks as may be determined by its board of directors.]*
- (11) *No independent director, who resigns from a listed entity, shall be appointed as an executive / whole time director on the board of the listed entity, its holding, subsidiary or associate company or on the board of a company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an independent director.]*
- (12) *A 'high value debt listed entity' shall undertake Directors and Officers insurance (D and O insurance) for all its independent directors for such sum assured and for such risks as may be determined by its board of directors.*

***Regulation 26–Obligations with respect to employees including senior management, key managerial persons, directors and promoters***

- (1) *A director shall not be a member in more than ten committees or act as chairperson of more than five committees across all listed entities in which he/she is a director which shall be determined as follows:*
- (a) *the limit of the committees on which a director may serve in all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies<sup>151</sup>['high value debt listed entities'] and companies under Section 8 of the Companies Act, 2013 shall be excluded;*
- (b) *for the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered.*
- (2) *Every director shall inform the listed entity about the committee positions he or she occupies in other listed entities and notify changes as and when they take place.*
- (3) *All members of the board of directors and senior management personnel shall affirm compliance with the code of conduct of board of directors and senior management on an annual basis.*
- (4) *Senior management shall make disclosures to the board of directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the listed entity at large.*

*Explanation.- For the purpose of this sub-regulation, conflict of interest relates to dealing in the shares of listed entity, commercial dealings with bodies, which have shareholding of management and their relatives etc.*

*No employee including key managerial personnel or director or promoter of a listed entity shall 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 securities of such listed entity, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders by way of an ordinary resolution:*

*Provided that such agreement, if any, whether subsisting or expired, entered during the preceding three years from the date of coming into force of this sub-regulation, shall be disclosed to the stock exchanges for public dissemination:*

*Provided further that subsisting agreement, if any, as on the date of coming into force of this sub-regulation shall be placed for approval before the Board of Directors in the forthcoming Board meeting:*

*Provided further that if the Board of Directors approve such agreement, the same shall be placed before the public shareholders for approval by way of an ordinary resolution in the forthcoming general meeting:*

*Provided further that all interested persons involved in the transaction covered under the agreement shall abstain from voting in the general meeting.*

*Explanation - For the purposes of this sub-regulation, 'interested person' shall mean any person holding voting rights in the listed entity and who is in any manner, whether directly or indirectly, interested in an agreement or proposed agreement, entered into or to be entered into by such a person or by any employee or key managerial personnel or director or promoter of such listed entity with any shareholder or any other third party with respect to compensation or profit sharing in connection with the securities of such listed entity.*

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