

**TERMS & CONDITIONS OF  
APPOINTMENT OF INDEPENDENT & NON-EXECUTIVE DIRECTORS OF THE COMPANY**

[Pursuant to the provisions of Schedule IV to the Companies Act, 2013 and Clause 49 (II) (B) (4) of the Listing Agreement]

The Company have appointed Independent Directors as per the provisions of Section 149 of the Companies Act, 2013 (hereinafter called as "Act") and the listing agreement entered by the Company with Stock Exchanges:

The broad terms and conditions of appointment of Independent Directors are as under:

#### **Tenure of Appointment**

The appointment of Independent Directors will be for a period of five years commencing from the respective date of their appointment by the Board, subject to the approval of the Members at the subsequent Annual General Meeting ("Term"). The Company may disengage Independent Directors prior to completion of their Term, subject to compliance of relevant provisions of the 2013 Act. Their tenure is subject to the condition that they continue to meet the criteria for being an Independent Director as given under the provisions of the Act and the listing agreement. Their appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Act and the listing agreement.

#### **Criteria of Appointment**

The Board of Directors of the Company inter alia has given due consideration to their candidature of being qualified as 'independent' in accordance with the provisions of the Act and the listing agreement. Company expects that they will remain qualified as 'independent' during their tenure and they will provide periodic declaration as to their interest in the Company that may conflict their independence immediately when they come to know to the effect as required under the Terms & Conditions mentioned here, Salora Code of Conduct, Act and the Listing Agreement. They will be categorized as "Independent Director" in the annual report and other documents and publications of the Company. If circumstances change and they believe it may not be possible for them to remain independent, they should discuss this with the Chairman as soon as practicable.

#### **Role on the Board**

They are expected to provide their expertise, experience and valuable inputs to the Company's business policies, planning, strategies, management and corporate governance. They should allocate requisite time for Board and committee meetings for proper participation in the Company's management. They may be invited for being appointed on one or more existing committees of Board or any such committee that may be set up in future. Their appointment on such committee will be subject to the applicable regulations.

#### **Memberships of other Boards**

It is expected that they will not serve on the boards and or their Committees of competing companies due to possible conflicting interest. However, if they intend to join the boards of competing companies, they can do so after seeking prior approval of the Company's Board.

#### **Duties and Liabilities**

Their role and duties will be those normally required of a Non-Executive Independent Director under the Act and the listing agreement. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- a. They shall act in accordance with the Company's Articles of Association.
- b. They 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 interest of the Company.
- c. They shall discharge their duties with due and reasonable care, skill and diligence.
- d. They shall not involve themselves in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- e. They shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.
- f. They shall not assign their office as Director and any assignments so made shall be void.
- g. They will follow the Salora Code of Conduct for Board of Directors.
- h. They will follow the highest standards of confidentiality. They shall not disclose to any person or company (either during the course of the tenure or at any time after resignation), any confidential information concerning the Company or any of its Group Company which they acquire by virtue of their position as a Director, except as permitted by law or with prior clearance from the

Chairman.

The laws and regulations that currently govern the duties and liabilities of an Independent Director are the Act (including rules thereunder) and the listing agreement. Apart from other duties, they are specifically required to follow “the code for the Independent Director” as per Schedule IV of the Companies Act, 2013. However, Company would always help them to familiarize them with the duties and liabilities of an independent director.

Further, they are required to make disclosures about his possible conflicting interest that may harm their independence as and when required as per the requirements of the Act and listing agreement.

As per Section 149 of the Act, they will be held responsible, only in respect of such acts of omission or commission by a company which had occurred with their knowledge, attributable through Board processes, and with their consent or connivance or where they had not acted diligently.

### **Performance Evaluation**

Performance evaluation of each director shall be done by the Board of Directors annually or as and when required to do so, without participation of director being evaluated. Each Director will participate in reviewing the performance of other directors.

### **Prohibition on Insider Trading**

Independent Directors will follow the Salora Code of Conduct and the requirements given under the Act and relevant SEBI Regulations for Prevention of Insider Trading. They should not make any statements or provide information to any person that may lead to non-compliance of these legal provisions except as permitted by law.

### **Status of Appointment**

They will not be an employee of the Company and this letter shall not constitute a contract of employment. They will be entitled to remuneration/sitting fees for attending Board meetings or committee thereof either personally or through Video Conference or other audio visual means or for any other purpose whatsoever as may be decided by the Board of Directors as per applicable provisions of laws for the time being in force and in accordance with the criteria, as approved by the Board of Directors on the recommendation by the Nomination and Remuneration Committee, within the overall limits approved by the shareholders and the applicable legal provisions. They may also be paid remuneration by commission as may be approved by the Board and the Shareholders from time to time.

The remuneration and fee payable shall be subject to applicable tax deduction at source. In addition to the above they will be entitled to reimbursement of all expenses for participation in the Board and other meetings.

### **Termination**

They may resign from their position at any time and in this regard, it is expected from them to serve a reasonable written notice on the Board. Continuation of their appointment is contingent on their getting re-elected by the shareholders in accordance with provisions of Act, listing agreement and the Articles of Association of the Company, from time to time in force. They will not be entitled to compensation if the shareholders do not re-elect them at any time. Their appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

### **General Terms of Reference**

All the terms as mentioned above including their appointment, remuneration, professional conduct, role, duties and liabilities and evaluation shall be governed by the Act and rules made thereunder and the listing agreement, as amended from time to time.

Their appointment and any non-contractual obligations arising out or in connection with their appointment shall be governed by, and shall be construed in accordance with the laws of India and subject to the exclusive Jurisdiction of the Courts of India.

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