

**Mr. Rajiv Vijay Nabar**

***Dear Sir,***

It gives us immense pleasure to inform you that on [●], Members of the Company have approved the Board's proposal to appoint you as an Independent Director of the Company for a term of five years from November 29, 2023, to November 28, 2028

A letter detailing the terms and conditions covering your appointment, as statutorily required, is attached.

Best Regards,

**Chairman**

## **Terms of Appointment - Independent Director**

### **1. Appointment**

- 1.1. Pursuant to approval of the members of the company in their meeting held on [●], you are appointed for a term of five (5) years from November 29, 2023, to November 28, 2028

You shall not be liable to retire by rotation as per the relevant provisions of the Act.

Further, your appointment is subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 ('Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

- 1.2. The term Non-Executive Independent Director should be construed as defined under the Act and the Listing Regulations, as amended from time to time.

### **2. Committees**

The Board of Directors may invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in the future.

### **3. Time Commitment**

- 3.1. As a Non-Executive Director, you are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance.

- 3.2. The Board and Audit Committee meets at least four times in a year.

The other committee meetings viz., Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Risk Management Committee are ordinarily convened whenever required.

You are expected to attend Board, Board Committees to which you may be appointed and members' meetings and to devote such time, as appropriate for you to discharge your duties effectively.

Ordinarily, all meetings are held at the Corporate Office in Chennai / Bangalore except Annual Members' meeting which is held in Vashi, Navi Mumbai.

However, in the current pandemic situation Board and Members' Meetings are held by way of video conference in line with the regulatory provisions in this matter.

- 3.3. By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

#### **4. Role and Duties**

Your role and duties will be those normally required of a Director and in particular Non- Executive Independent Director under provisions of Section 166 of the Act, Schedule IV of the Act, which prescribes 'Code for Independent Directors' and the Listing Regulations as amended from time to time - Enclosed as Annexure.

#### **5. Status of Appointment**

- 5.1. You will not be an employee of the Company and this letter shall not constitute a contract of employment. You shall be paid such remuneration by way of sitting fees for attending meetings of the Board and its Committees as may be decided by the Board and/ or as approved by the members from time to time.
- 5.2. The sitting fees presently paid to the Non-Executive Independent Director is Rs. 100,000/- per meeting of the Board and Audit Committee thereof.
- 5.3. You shall be entitled to Commission on Profits at a rate not exceeding the rate prescribed under the Companies Act, 2013 and within such limit fixed by the Board & approved by the members from time to time.

#### **6. Reimbursement of Expenses**

In addition to the sitting fees and commission on profits described in paragraph 5, the Company shall, for the period of your appointment, reimburse you for travel, stay and other incidental expenses incurred by you in connection to the performance of your roles and duties.

#### **7. Conflict of Interest**

- 7.1. It is accepted and acknowledged that you may have business interests, memberships other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments, and interests to the Board in writing in the prescribed form at the time of your appointment.
- 7.2. In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgments that you are independent, this should be disclosed to both the Chairman and the Secretary.

#### **8. Training and Development**

The Company, shall, if required, conduct training programs, from time to time, as deemed fit for its Independent Directors which may include any or all of the following:

- 8.1. Board roles and responsibilities, whilst seeking to build working relationship among the Board members;
- 8.2. Company's vision, strategic direction, core values, ethics, and corporate governance practices;
- 8.3. Familiarization with financial matters, management team and business operations;

8.4. Meetings with stakeholders, visits to business locations and meetings with senior and middle management.

The Company, as may be required, may support Directors to continually update their skills and knowledge and improve their familiarity with the company and its business.

The Company shall fund/ arrange for training on all matters which are common to the whole Board.

## **9. Confidentiality**

All information acquired during your appointment is confidential to Solara and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by Solara.

Your attention is also drawn to the requirements under the applicable regulations and the Solara Insider Trading Code which concern the disclosure of price sensitive information and dealing in the securities of the Company.

Consequently, you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Company Secretary.

## **10. Evaluation**

Every individual director would be bound by the Company's policy on board evaluation.

The Company shall carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis.

Your appointment and re-appointment on the Board shall be subject to the outcome of the yearly evaluation process.

As an Independent Director you should strive to hold and present in at least one meeting in a year without the presence of Non-Independent Directors and Members of the management with the sole objective of:

- 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

By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet the expectations of your role.

#### **11. Insurance**

The Company has availed Directors' and Officers' liability insurance and it is intended that the Company shall assume and maintain such cover for the full term of your appointment.

#### **12. Independent Professional Advice**

There may be occasions when you consider that you need professional advice in furtherance of your duties as a director and it will be appropriate for you to consult independent advisers at the Company's expense. The Company shall reimburse the full cost of expenditure incurred in accordance with the Company's policy.

#### **13. Disclosures, other directorships and business interests**

In the event that you become aware of any potential conflict of interest with your position as Director of the Company, you shall promptly disclose the same to the Chairman and the Company Secretary and provide such other disclosures and information as may be required under the applicable laws. By signing this letter, you hereby confirm that as on date of this letter, you have no such conflict of interests with your existing directorships.

#### **14. Information on Meetings**

The Board and the Committees of the Board meets at least once a quarter to review the quarterly results and other items on the agenda and also on the occasion of the Annual General Meeting of the members. Additional meetings are held, when necessary. The recommendations of the Committees are placed before the Board for necessary approval.

The Board has full and unfettered access to any information of the Company, and to any employee of the Company.

At Board/ Committee Meetings, the Board/ Committee may invite officials of the Company when additional details into the items being discussed are required.

Usually, Board meetings are held at the Corporate Office of the Company at Chennai / Bengaluru. The agenda and explanatory notes are sent to the Board in advance.

Board meetings during the year and Annual General Meeting shall be scheduled with the consent of the Directors and a calendar for the events shall be shared at the starting of the year.

#### **15. Termination**

15.1. You may resign from your position at any time, and should you wish to do so, you are requested to serve a reasonable written notice to the Board.

15.2. Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

16. Your attention is drawn to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 in respect of disclosure of price-sensitive information. Consequently, you are hereby informed not make any statements and/or enter into transactions that might risk a breach of these Regulations in any manner, whatsoever.

**17. Governing Law**

This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts.

**18. Miscellaneous**

The terms of appointment contained in this letter along with your detailed profile shall be disclosed on the website of the Company and the relevant stock exchanges.

**19. Acceptance of Appointment**

Please confirm your acceptance of the above terms by signing and returning the enclosed duplicate copy of this letter.

Best Regards,

**Chairman of the Board**

***Acknowledgement***

I hereby acknowledge receipt of and accept the terms set out in this letter.

Signed .....

Dated .....

## EXTRACT OF THE COMPANIES ACT, 2013

### Annexure

#### Section 166: 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.

## **EXTRACT OF THE COMPANIES ACT, 2013**

### **SCHEDULE IV - CODE FOR INDEPENDENT DIRECTORS under the Companies Act, 2013**

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 robustness;
- 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. Roles 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) Scrutinize 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;



## EXTRACT OF THE COMPANIES ACT, 2013

- 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) Act within their 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.

## EXTRACT OF THE COMPANIES ACT, 2013

### 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 formalized 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 three months 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.

## EXTRACT OF THE COMPANIES ACT, 2013

### VII. Separate Meetings:

- 1) The independent directors of the company shall hold at least one meeting in a financial 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.

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## EXTRACT OF SEBI LISTING REGULATIONS

### Annexure

#### Regulation 16 (1)(b): Definition of Independent Director

‘Independent Director’ means a non-executive director, other than a nominee director of the listed entity:

- (i) who, in the opinion of the board of directors, is a person of integrity and possesses relevant expertise and experience;
- (ii) who is or was not a promoter of the listed entity or its holding, subsidiary or associate company or member of the promoter group of the listed entity;
- (iii) who is not related to promoters or directors in the listed entity, its holding, subsidiary or associate company;
- (iv) who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (v) none of whose relatives -
  - (A) is holding securities of or interest in the listed entity, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value in excess of fifty lakh rupees or two percent of the paid-up capital of the listed entity, its holding, subsidiary or associate company, respectively, or such higher sum as may be specified;
  - (B) is indebted to the listed entity, its holding, subsidiary or associate company or their promoters or directors, in excess of such amount as may be specified during the three immediately preceding financial years or during the current financial year;
  - (C) has given a guarantee or provided any security in connection with the indebtedness of any third person to the listed entity, its holding, subsidiary or associate company or their promoters or directors, for such amount as may be specified during the three immediately preceding financial years or during the current financial year; or
  - (D) has any other pecuniary transaction or relationship with the listed entity, its holding, subsidiary or associate company amounting to two percent or more of its gross turnover or total income:

Provided that the pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company or their promoters, or directors in relation to points (A) to (D) above shall not exceed two percent of its gross turnover or total income or fifty lakh rupees or such higher amount as may be specified from time to time, whichever is lower.
- (vi) who, neither himself, nor whose relative(s):
  - (A) holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate company or any company belonging to the promoter group of the listed entity, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed:

Provided that in case of a relative, who is an employee other than key managerial personnel, the restriction under this clause shall not apply for his / her employment.

## EXTRACT OF SEBI LISTING REGULATIONS

(B) 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 —

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

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

(C) holds together with his relatives two per cent or more of the total voting power of the listed entity; or

(D) is a chief executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts or corpus from the listed entity, 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 listed entity;

(E) is a material supplier, service provider or customer or a lessor or lessee of the listed entity

(vii) who is not less than 21 years of age;

(viii) who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.

Explanation- In case of a 'high value debt listed entity':

(a) which is a body corporate, mandated to constitute its board of directors in a specific manner in accordance with the law under which it is established, the non-executive directors on its board shall be treated as independent directors;

(b) which is a Trust, mandated to constitute its 'board of trustees' in accordance with the law under which it is established, the non-employee trustees on its board shall be treated as independent directors.

### **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.

## EXTRACT OF SEBI LISTING REGULATIONS

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 knowledge, attributable through processes of board of directors, and with his consent or connivance or where he 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 familiarize 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 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.

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**Mr. Rajendra Kumar Srivastava**

***Dear Sir,***

It gives us immense pleasure to inform you that on [●], Members of the Company have approved the Board's proposal to appoint you as an Independent Director of the Company for a term of five years from November 14, 2023, up to November 13, 2028.

A letter detailing the terms and conditions covering your appointment, as statutorily required, is attached.

Best Regards,

**Chairman**

## **Terms of Appointment - Independent Director**

### **1. Appointment**

- 1.1. Pursuant to approval of the members of the company in their meeting held on [●], you are appointed for a term of five (5) years from November 14, 2023, to November 13, 2028

You shall not be liable to retire by rotation as per the relevant provisions of the Act.

Further, your appointment is subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 ('Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

- 1.2. The term Non-Executive Independent Director should be construed as defined under the Act and the Listing Regulations, as amended from time to time.

### **2. Committees**

The Board of Directors may invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in the future.

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- 3.1. As a Non-Executive Director, you are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance.

- 3.2. The Board and Audit Committee meets at least four times in a year.

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You are expected to attend Board, Board Committees to which you may be appointed and members' meetings and to devote such time, as appropriate for you to discharge your duties effectively.

Ordinarily, all meetings are held at the Corporate Office in Chennai / Bangalore except Annual Members' meeting which is held in Vashi, Navi Mumbai.

However, in the current pandemic situation Board and Members' Meetings are held by way of video conference in line with the regulatory provisions in this matter.

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Your role and duties will be those normally required of a Director and in particular Non- Executive Independent Director under provisions of Section 166 of the Act, Schedule IV of the Act, which prescribes 'Code for Independent Directors' and the Listing Regulations as amended from time to time - Enclosed as Annexure.

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- 5.1. You will not be an employee of the Company and this letter shall not constitute a contract of employment. You shall be paid such remuneration by way of sitting fees for attending meetings of the Board and its Committees as may be decided by the Board and/ or as approved by the members from time to time.
- 5.2. The sitting fees presently paid to the Non-Executive Independent Director is Rs. 100,000/- per meeting of the Board and Audit Committee thereof.
- 5.3. You shall be entitled to Commission on Profits at a rate not exceeding the rate prescribed under the Companies Act, 2013 and within such limit fixed by the Board & approved by the members from time to time.

#### **6. Reimbursement of Expenses**

In addition to the sitting fees and commission on profits described in paragraph 5, the Company shall, for the period of your appointment, reimburse you for travel, stay and other incidental expenses incurred by you in connection to the performance of your roles and duties.

#### **7. Conflict of Interest**

- 7.1. It is accepted and acknowledged that you may have business interests, memberships other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments, and interests to the Board in writing in the prescribed form at the time of your appointment.
- 7.2. In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgments that you are independent, this should be disclosed to both the Chairman and the Secretary.

#### **8. Training and Development**

The Company, shall, if required, conduct training programs, from time to time, as deemed fit for its Independent Directors which may include any or all of the following:

- 8.1. Board roles and responsibilities, whilst seeking to build working relationship among the Board members;
- 8.2. Company's vision, strategic direction, core values, ethics, and corporate governance practices;
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Your appointment and appointment on the Board shall be subject to the outcome of the yearly evaluation process.

As an Independent Director you should strive to hold and present in at least one meeting in a year without the presence of Non-Independent Directors and Members of the management with the sole objective of:

- 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

By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet the expectations of your role.

#### **11. Insurance**

The Company has availed Directors' and Officers' liability insurance and it is intended that the Company shall assume and maintain such cover for the full term of your appointment.

#### **12. Independent Professional Advice**

There may be occasions when you consider that you need professional advice in furtherance of your duties as a director and it will be appropriate for you to consult independent advisers at the Company's expense. The Company shall reimburse the full cost of expenditure incurred in accordance with the Company's policy.

#### **13. Disclosures, other directorships and business interests**

In the event that you become aware of any potential conflict of interest with your position as Director of the Company, you shall promptly disclose the same to the Chairman and the Company Secretary and provide such other disclosures and information as may be required under the applicable laws. By signing this letter, you hereby confirm that as on date of this letter, you have no such conflict of interests with your existing directorships.

#### **14. Information on Meetings**

The Board and the Committees of the Board meets at least once a quarter to review the quarterly results and other items on the agenda and also on the occasion of the Annual General Meeting of the members. Additional meetings are held, when necessary. The recommendations of the Committees are placed before the Board for necessary approval.

The Board has full and unfettered access to any information of the Company, and to any employee of the Company.

At Board/ Committee Meetings, the Board/ Committee may invite officials of the Company when additional details into the items being discussed are required.

Usually, Board meetings are held at the Corporate Office of the Company at Chennai / Bengaluru. The agenda and explanatory notes are sent to the Board in advance.

Board meetings during the year and Annual General Meeting shall be scheduled with the consent of the Directors and a calendar for the events shall be shared at the starting of the year.

#### **15. Termination**

15.1. You may resign from your position at any time, and should you wish to do so, you are requested to serve a reasonable written notice to the Board.

15.2. Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

16. Your attention is drawn to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 in respect of disclosure of price-sensitive information. Consequently, you are hereby informed not make any statements and/or enter into transactions that might risk a breach of these Regulations in any manner, whatsoever.

**17. Governing Law**

This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts.

**18. Miscellaneous**

The terms of appointment contained in this letter along with your detailed profile shall be disclosed on the website of the Company and the relevant stock exchanges.

**19. Acceptance of Appointment**

Please confirm your acceptance of the above terms by signing and returning the enclosed duplicate copy of this letter.

Best Regards,

**Chairman of the Board**

***Acknowledgement***

I hereby acknowledge receipt of and accept the terms set out in this letter.

Signed .....

Dated .....

## EXTRACT OF THE COMPANIES ACT, 2013

### Annexure

#### Section 166: 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.

## **EXTRACT OF THE COMPANIES ACT, 2013**

### **SCHEDULE IV - CODE FOR INDEPENDENT DIRECTORS under the Companies Act, 2013**

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 robustness;
- 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. Roles 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) Scrutinize 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;

## EXTRACT OF THE COMPANIES ACT, 2013

- 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) Act within their 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.

## EXTRACT OF THE COMPANIES ACT, 2013

### 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 formalized 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 three months 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.



## EXTRACT OF THE COMPANIES ACT, 2013

### VII. Separate Meetings:

- 1) The independent directors of the company shall hold at least one meeting in a financial 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.

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## EXTRACT OF SEBI LISTING REGULATIONS

### Annexure

#### Regulation 16 (1)(b): Definition of Independent Director

‘Independent Director’ means a non-executive director, other than a nominee director of the listed entity:

- (i) who, in the opinion of the board of directors, is a person of integrity and possesses relevant expertise and experience;
- (ii) who is or was not a promoter of the listed entity or its holding, subsidiary or associate company or member of the promoter group of the listed entity;
- (iii) who is not related to promoters or directors in the listed entity, its holding, subsidiary or associate company;
- (iv) who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (v) none of whose relatives -
  - (A) is holding securities of or interest in the listed entity, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value in excess of fifty lakh rupees or two percent of the paid-up capital of the listed entity, its holding, subsidiary or associate company, respectively, or such higher sum as may be specified;
  - (B) is indebted to the listed entity, its holding, subsidiary or associate company or their promoters or directors, in excess of such amount as may be specified during the three immediately preceding financial years or during the current financial year;
  - (C) has given a guarantee or provided any security in connection with the indebtedness of any third person to the listed entity, its holding, subsidiary or associate company or their promoters or directors, for such amount as may be specified during the three immediately preceding financial years or during the current financial year; or
  - (D) has any other pecuniary transaction or relationship with the listed entity, its holding, subsidiary or associate company amounting to two percent or more of its gross turnover or total income:

Provided that the pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company or their promoters, or directors in relation to points (A) to (D) above shall not exceed two percent of its gross turnover or total income or fifty lakh rupees or such higher amount as may be specified from time to time, whichever is lower.
- (vi) who, neither himself, nor whose relative(s):
  - (A) holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate company or any company belonging to the promoter group of the listed entity, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed:

Provided that in case of a relative, who is an employee other than key managerial personnel, the restriction under this clause shall not apply for his / her employment.

## EXTRACT OF SEBI LISTING REGULATIONS

(B) 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 —

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

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

(C) holds together with his relatives two per cent or more of the total voting power of the listed entity; or

(D) is a chief executive or director, by whatever name called, of any nonprofit organization that receives twenty-five per cent or more of its receipts or corpus from the listed entity, 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 listed entity;

(E) is a material supplier, service provider or customer or a lessor or lessee of the listed entity

(vii) who is not less than 21 years of age;

(viii) who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.

Explanation- In case of a 'high value debt listed entity':

(a) which is a body corporate, mandated to constitute its board of directors in a specific manner in accordance with the law under which it is established, the non-executive directors on its board shall be treated as independent directors;

(b) which is a Trust, mandated to constitute its 'board of trustees' in accordance with the law under which it is established, the non-employee trustees on its board shall be treated as independent directors.

### **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.

## EXTRACT OF SEBI LISTING REGULATIONS

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 knowledge, attributable through processes of board of directors, and with his consent or connivance or where he 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 familiarize 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 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.

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