

**Terms and Conditions for appointment of Independent Director in
INOX India Limited**

1. Tenure of Appointment

- 1.1 Appointment for a period of five years from date of appointment in Board Meeting subject to maximum of 2 tenure of 5 years each.
- 1.2 Appointment is not subject to retirement by rotation in pursuance of provision of sub-section 13 of Section 149 of the Companies Act, 2013.

2. Terms of office

2.1 During the tenure of office as an Independent Director, the Independent Director should not:

- 2.1.1 have any pecuniary relationship other than receiving director's remuneration or have transaction exceeding ten percent of his/her total income or such amount as may be prescribed from time to time, with the Company, its holding, subsidiary or associate company, or their promoters or directors;
- 2.1.2 hold or take up position of a key managerial personnel of the Company or its holding, subsidiary or associate Company;
- 2.1.3 hold together with their relatives, two percent or more of the total voting power of the Company.
- 2.1.4 hold or take-up any position or appointment as an employee or proprietor or a partner:
- 2.1.4.1 in a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
- 2.1.4.2 in any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten percent or more of the gross turnover of such firm.
- 2.1.5 be a Chief Executive or Director, by whatever name called of any non-profit organization that receives twenty-five percent or more of its receipts or corpus from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds two percent or more of the total voting power of the Company.
- 2.1.6 take up directorship as a Non-Independent Director in another Company in which any of the Non-Independent Director of the Company is an Independent Director.

2.2 Independent Directors are required to go through Code of Conduct of the Company carefully and during the tenure of their office as an Independent Director, ensure compliance of the same and also follow guidelines of professional conduct as prescribed under the Companies Act, 2013.

3. Role and functions:

Role and functions as an Independent Director of the Company shall, in terms of Schedule IV prescribed vide Section 149(8) of the Companies Act, 2013 be as follows:

- 3.1 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;
- 3.2 bring an objective view in the evaluation of the performance of board and management;

- 3.3 scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 3.4 satisfy oneself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- 3.5 safeguard the interests of all stakeholders, particularly the minority shareholders;
- 3.6 balance the conflicting interest of the stakeholders;
- 3.7 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; and
- 3.8 moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

4. Duties

4.1 General

Independent Directors are expected to perform the general fiduciary duties, and exercise the skill and care expected of every director.

4.2 Duties under Section 166 of the Companies Act, 2013

Independent Directors are also expected to perform following duties as a Director of the Company which are specifically provided under Section 166 of the Companies Act, 2013:

- 4.2.1 act in accordance with the Articles of Association of the Company, subject to the provisions of Companies Act, 2013;
- 4.2.2 act in good faith in order to promote the objects of the Company for the benefits 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;
- 4.2.3 exercise duties with due and reasonable care, skill and diligence and shall exercise independent judgement;
- 4.2.4 not involve in a situation in which one may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
- 4.2.5 not achieve or attempt to achieve any undue gain or advantage either or to ones relatives, partners or associates.
- 4.2.6 not assign his/her office as any such assignment shall be void.

4.3 Duties under Schedule IV of the Companies Act, 2013

Independent Directors are also expected to perform following duties as an Independent Director which are specifically defined under Schedule IV of the Companies Act, 2013

- 4.3.1 undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;

- 4.3.2 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;
- 4.3.3 strive to attend all meetings of the Board of Directors and of the Board committees of which one is a member, if any;
- 4.3.4 participate constructively and actively in the committees of the Board in which one is a chairperson or member, if any;
- 4.3.5 strive to attend the general meetings of the Company;
- 4.3.6 where one have concerns about the running of the Company or a proposed action, ensure that these concerns are addressed by the Board and, to the extent that concerns are not resolved, insist that ones concerns are recorded in the minutes of the Board meeting;
- 4.3.7 keep oneself well informed about the Company and the external environment in which it operates;
- 4.3.8 not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 4.3.9 pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and also ensure that the same are in the interest of the Company;
- 4.3.10 ascertain and ensure that the Company has an adequate and functional vigil mechanism and to also ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- 4.3.11 report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct;
- 4.3.12 acting within ones authority, assist in protecting the legitimate interests of the Company, shareholders and its employees; and
- 4.3.13 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.

5. Director & Officers (D & O) Insurance Policy

Independent Directors will be entitled to indemnification afforded to the Directors by the Company's Articles of Association, the Companies Act, 2013 and as per Directors & Officers Insurance Policy of the Company.

6. Remuneration

Independent Directors will be entitled to sitting fees as decided by the Board of Directors of the Company for attending meeting of the Board of Directors or Committee of the Directors.

7. Reimbursement of Expenses

Independent Directors will be reimbursed all the expenses incurred in travelling for attending the Board and other meetings and reasonable and proper accommodation expenses if any for meetings that necessitates one to stay away from one's home.

8. Independence and other interests

Independent Directors shall at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect ones status as an Independent Director, give a

declaration that one meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

9. Rights

During the tenure of office as an Independent Director, one shall have following rights:

- 9.1 Access to all information in or about the Company and its affairs which are made available to the Directors;
- 9.2 Review the Agendas for Board Meeting/s and Committee Meeting/s and all relevant papers; and
- 9.3 Contact the Chairperson, Chief Executive Officer or any other key management personnel, in case of any requirement.

10. Termination

Appointment of Independent Directors will terminate automatically:

- 10.1 if one is disqualified from acting as, or one is required to vacate his/her office as a director for any reason either under the Companies Act, 2013 or under Listing Regulations/Relevant SEBI Guidelines.
- 10.2 if one submits resignation from ones office by giving notice in writing as per Section 168 of the Companies Act, 2013 or an Ordinary Resolution is passed by the Company for his/her removal from the office of Independent Director as provided in Section 168 of the Companies Act, 2013.
