

**TIRUPATI FORGE LIMITED**  
**CIN: L27320GJ2012PLC071594**



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

**APPOINTMENT**

A. The appointment is subject to the provisions of the Companies Act, 2013 ('the Act') and Rules framed there under.

- B. This is a contract for service and is not a contract of employment with the Company.
- C. As an Independent Director, they will not be liable to retire by rotation.
- D. The appointment is subject to the maximum permissible Directorships that may be held as per the provisions of the Act and Regulation(s) framed by the Securities and Exchange Board of India (“the regulation”).
- E. In accordance with the currently applicable provisions of the Act and the Listing Agreements, Independent Directors will serve for a term as mentioned above. Their reappointment as an Independent Director will be considered by the Board as per laws and regulations prevailing at the relevant time.
- F. The Board may invite the Independent Directors to serve on one or more of the Committees constituted by the Board, subject to applicable regulations.
- G. The Directors will devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as an Independent Director.
- H. The Directors will ensure compliance with all applicable provisions of the Act, Rules there under and the Regulations.

#### **BOARD COMMITTEE**

The Board may, if it deems fit, invite the directors for being appointed on one or more existing Board Committees or any such Committee that may be set up in the future. The appointment on such committee(s) will be subject to the applicable regulations.

The Independent Directors are expected to attend the Board or Committee to which you may be appointed and Shareholders’ meetings and to devote such time to your duties as deemed appropriate for discharge of your duties effectively.

#### **REMUNERATION**

As a Non-executive Independent Director, they may be entitled to such Commission on profits of the Company for a financial year as may be decided by the Board and approved by the shareholders of the Company from time to time.

The Directors will also be entitled to such amount of Sitting Fees for attending meetings of the Board and any Committee(s) thereof as may be decided from time to time.

The Directors will also be entitled to reimbursement of travel, hotel and other incidental expenses incurred by them in the performance of their role and duties.

#### **ROLE, DUTIES AND RESPONSIBILITIES**

The role and duties will be those normally required of a Non –executive Independent Director under the Companies Act, 2013 and SEBI (LODR) Regulation, 2015. There are certain duties prescribed by the ‘Act’ for all Directors, Non- executive directors which are fiduciary in nature and are as under:

### **Role and Functions;**

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.

Bring an objective view in the evaluation of the performance of Board and Management

Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance

Satisfy themselves on the integrity of financial information and that financial control and the systems of risk management are robust and defensible.

Safeguard the interest of all stakeholders, particularly the minority shareholders

Balance the conflicting of interest of the stakeholders

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.

Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholders' interest.

### **Duties:**

Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company.

The Directors shall act in accordance with the Company's Articles of Association.

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.

Strive to attend all meetings of the Board of Directors and of the Board Committees of which he is a member.

Participate constructively and actively in the committees of the Board in which they are chairperson or members.

Strive to attend the general meetings of the company.

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.

Keep them well informed about the company and the external environment of the Board.

Not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board.

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.

Ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interest of a person who uses such mechanism is not prejudicially affected on account of such use.

Report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethic policy.

Acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees.

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.

In addition to the above requirements, you are also required to discharge the duties, roles and functions as applicable to Independent Directors as stated under Schedule IV to the Act, as in force and as may be amended from time to time.

#### **STATUS OF APPOINTMENT**

The Independent Directors will not be an employee of the Company and the letter of appointment shall not constitute a contract of employment. The Independent Directors will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board.

#### **REIMBURSEMENT OF EXPENSES**

In addition to the sitting fees described above, the Company will for the period of appointment, reimburse for travel, hotel and other incidental expenses incurred by the Independent Directors in performance their roles and duties.

#### **CONFLICT OF INTEREST**

It is accepted and acknowledged that Independent Directors may have business interests other than those of the Company. As a condition of appointment commencing, the Independent Directors are required to declare any such directorships, appointments, and interests to the Board in writing in the prescribed form at the time of appointment.

In the event of 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 judgment that you are independent, this should be disclosed to the board.

## **CONFIDENTIALITY**

All information acquired during appointment is confidential and should not be released, either during appointment or following termination (by whatever means) to third parties or company including any Subsidiaries or associates thereof with which you come into contract by virtue of your position as an Independent Director, except as permitted by law or with prior clearance from the Chairperson of the Board.

## **EVALUATION PROCESS**

The Company will carry out an evaluation of performance of the Board as a whole, Board Committees and Directors on an annual basis. The Evaluation process has been done by the other members of the board of directors or any other committee enacted by the Company and such evaluation shall be disclosed in the Company's Annual Report. Your appointment and re-appointment on the Board shall be subject to the outcome of the yearly evaluation process.

## **CODE OF CONDUCT**

As an Independent Director of the Company, the Directors agree to abide by the Code for Independent Directors, Code of Conduct for Non Executive Directors and Code of Conduct for Prevention of Insider Trading as issued by the Company, and they have been provided with copies of the same.

## **PERFORMANCE APPRAISAL / EVALUATION PROCESS**

As laid down in the Act, the Directors performance as a member of the Board as well as the performance of the entire Board and its Committees shall be evaluated annually.

## **DISCLOSURES, OTHER DIRECTORSHIPS AND BUSINESS INTERESTS**

During the Term, you agree to promptly notify the Company of any change in your directorship and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the Company. Please confirm that as on date of this letter, you have no such conflict of interest issues with your existing Directorships, if any. The Company must include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into.

A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

## **CESSATION**

Their directorship on the Board shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Act, their directorship may be terminated for violation of any provision of the Code of Conduct as applicable to Directors.

The Directors may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect as per the provisions of Act.

If at any stage during the term, there is a change that may affect the Directors' status as an Independent Director as envisaged in Section 149(6) of the Act, or, if applicable, the Directors fail to meet the criteria for "independence" under the provisions of SEBI (Listing Obligations and Disclosure Requirement), 2015 they agree to promptly submit their resignation to the Company with effect from the date of such change.

### **CONFIDENTIALITY**

The Directors must apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the Appointment or at any time after its termination) any confidential information concerning the Company with which they come into contact by virtue of their position as a Non-executive Director of the Company.

The Directors' attention is drawn to the requirements under both legislation and regulation as to the disclosure of price sensitive information. Consequently, the Directors should avoid making any statements that might risk a breach of these requirements without prior clearance from the Chairman or Company Secretary.

### **GOVERNING LAW**

Terms of appointments are governed by and will be interpreted in accordance with Indian Law and the Directors' engagement shall be subject to the jurisdiction of the Indian courts.