

## Terms and Conditions of Appointment of Independent Directors

[Pursuant to the provisions of Schedule IV to the Companies Act, 2013 ("the Act") and Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Hind Syntex Limited has appointed Mrs. Shailja Haldia as Independent Director with the approval of shareholders in the 33<sup>rd</sup> Annual General Meeting which was held on 27<sup>th</sup> September, 2014 for a term of consecutive five years upto the conclusion of the 38<sup>th</sup> Annual General Meeting of the Company. Mr. M. P. Rajan and Mr. V. S. Crishna were appointed as Independent Directors under erstwhile Companies Act, 1956 with the approval of shareholders in the 32<sup>nd</sup> Annual General Meeting which was held on December 6, 2013 for a period of five consecutive years upto the conclusion of the 37<sup>th</sup> Annual General Meeting of the Company.

An Appointment Letter mentioning the tenure of appointment of the Director, the Company's expectations from them, their role and responsibilities as a Director, their remuneration, their commitment to attend and participate at meetings and the requirement of maintain confidentiality is issued to Independent Directors after their appointment at a General Meeting of the Shareholders of the Company.

The terms and conditions of appointment of Independent Directors of Hind Syntex Limited are briefly mentioned below:

### 1. Appointment

- i. The appointment as a Non-Executive Independent Director on the Board of Director of the Company is subject to the provision of Companies Act, 2013.
- ii. The tenure of appointment will be for maximum two terms of 5 years each as per the requirements of section 149 of the Companies Act, 2013. During their term they will not retire by rotation.
- iii. The appointment may be terminated on failure to meet the parameters of Independence as defined in Section 149(6) or on the occurrence of any event as defined in Section 167 of the Companies Act, 2013.
- iv. Upon termination or upon resignation for any reason, duly intimated to the Company, Independent Directors will not be entitled to any compensation for loss of office.

### 2. Attendance at Meetings

The Director will ensure attendance at all meetings of the Board and Committees in which he is nominated and also the General Meetings of the Shareholders of the Company. He will commit sufficient time for preparation and attendance at meetings and to regularly update and refresh his skills and knowledge with regard to his role as a Director.

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### **3. Role, Duties and Responsibilities**

The role and duties of Independent Directors will be those normally expected of a Non-Executive Independent Director under the Companies Act, 2013. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

1. They shall act in accordance with the Company's Articles of Association as may be amended from time to time.
2. They shall 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 interest of the Company.
3. They shall discharge their duties with due and reasonable care, skill and diligence.
4. 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.
5. They shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.
6. They shall not assign their office as Director and any assignments so made shall be void.
7. They are expected to devote such time to the affairs of the Company as may be required by virtue of duties as Independent Director.

In addition to the above requirements, their role as a Non-Executive Director shall include helping in development of strategies for growth of the Company, evaluate the performance of non-independent Directors, ensuring that financial controls and Risk Management Policy is in place, overseeing the accuracy of financial reporting and ensuring governance and compliance with the applicable legislation and regulations.

The Board as a whole is collectively responsible for the success of the Company to which each Independent Director will contribute. All Directors, whether non-executive or executive have the same general legal responsibilities.

### **4. Status of Appointment**

Independent Directors are not the employees of Company and letter of appointment issued to them does not constitute a contract of employment. They will have no entitlement to participate in any employee stock option scheme operated by the Company or any Group Company. They are 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 approved by the Shareholders from time to time.

### **5. Reimbursement of Expenses**

The Company reimburses all expenses incurred by a director for attending meetings of Directors and other meetings held for Company's work. In addition to the sitting fees described above, during the tenure of their appointment the Company will reimburse the travelling cost, hotel and other incidental expenses reasonably incurred by them while performing their role and duties.

Directors will also be reimbursed fees for professional services rendered by them in their professional capacity subject to the compliances and other provisions of the Act.

## **6. Conflict of Interest**

The Company accepts and acknowledges that the Independent Directors may have business interests other than those of the Company. As a pre- condition to their appointment, they are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of their appointment as per Section 184 of the Companies Act, 2013.

In the event that any change in circumstances that give rise to a conflict of interest or, when the changed circumstances might lead the Board to revise its judgment on their independence, the same should be disclosed to both the Chairman and the Company Secretary.

## **7. Board Evaluation**

The Board of Directors will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis as per Company's Policy. The appointment and re-appointments of Independent Directors on the Board shall be subject to the outcome of yearly evaluation process.

## **8. Disclosure of Interest**

The Independent Directors are supposed to disclose any material interest that they may have in any transaction or arrangement that the company has entered into. The disclosure shall be made no later than the time when the transaction or arrangement comes up at a Board meeting for discussion so that the minutes may record the interest appropriately. A general notice to the Company that they are interested in any contract with a particular person, firm or company is also acceptable.

## **9. Code of Conduct**

During their tenure of appointment, they are required to comply with the provisions of Schedule IV under Companies Act, 2013, including following codes of conduct of the Company:

- I. Code of Conduct for Board of Directors and Seniors Management,
- II. Code for prevention of Insider Trading in securities of the Company.

And such other requirements as the Board of Directors may from time to time specify.

## **10. Confidentiality**

The Independent Directors have been informed that all the information acquired by them during their tenure of appointment is confidential to the Company and should not be released, either during the appointment or following termination / resignation (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, they are supposed to surrender any documents and other materials made available to them by the Company.

The independent Directors are informed of the applicable insider trading regulations and the Company's Insider Trading Code which requires the disclosure of price sensitive information and dealing in the securities of the Company. Independent Directors are supposed to avoid making any statements or performing any transaction that might risk a breach of applicable insider trading regulations requirements.

### **11. Publication of the Letter of Appointment**

The Independent Directors are aware that in line with provision of Clause IV sub clause 6 of Schedule IV, under Companies Act, 2013, the terms and conditions of their appointment will be made public and the same will be displayed on the Company's website.

### **12. Membership of Committees**

The Independent Directors may be appointed by the Board as Member/Chairman of one or more of its Committees. The appointment of Independent Directors on committees as Chairman / member will be regulated and covered in the relevant committee's terms of reference and any specific responsibilities of the Committees as set out by the Board.

### **13. Induction and Development Processes**

The Company provides to all its Directors a comprehensive induction and familiarization programme aimed at broadening their understanding of the Company, its business, the environment and markets in which it operates and an introduction to senior management team of the Company. The Directors are required to be updated on current topics, good governance practices, statutory compliances, their own areas of expertise, business requirements of the Company and also on how to best discharge their role, functions and responsibilities as Directors of the Company.

### **14. Termination**

The Independent Directors may resign from their position at any time and should they wish to do so, they are supposed to serve a reasonable written notice on the Board. In terms of provision of the Companies Act, 2013, they are required to file a copy of their resignation letter with the Registrar of Companies (ROC).

Continuation of their appointment is contingent on getting re-elected by the shareholders in accordance with provision of Companies Act, 2013 and the applicable Articles of Association of the Company, for the time being in force. Independent Directors will not be entitled to any compensation if the shareholders do not re-elect them at any time.

**Date: 10<sup>th</sup> November, 2016.**