

## **MYSORE PETRO CHEMICALS LIMITED**

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

The general terms and conditions for appointment of Independent Directors:

The Appointment of the Independent Directors by the Company will be in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder and the Listing Agreement.

#### **Appointment / Re-appointment of an Independent Director**

##### **a. Term of appointment:**

Subject to the provisions of Sections 149 & 152 of the Companies Act, 2013, the rules made thereunder and the relevant provisions of the Listing Agreement, the term of appointment of Independent Director is for a period not exceeding 5 years. The appointment is subject to the approval of the shareholders at the ensuing Annual General Meeting.

##### **b. Committee Membership:**

The Board of Directors may nominate Independent directors to one or more of the sub-committees of the Board from time to time.

##### **c. Role and Responsibilities:**

Independent Director should have the same general legal responsibilities to the Company as any other director but in terms of the provisions of Section 149(12) of the Act, Independent Director will be held liable only in respect of such omission or commission which has occurred with their knowledge, attributable through Board processes, or with their consent or connivance or where they have not acted diligently.

The Board as a whole is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. In addition to the above requirements for all Directors, an Independent Director shall abide by the Code for Independent Directors as laid down under Schedule IV of the Companies Act, 2013, or any amendments thereto. A copy of the Schedule is attached for ready reference.

##### **d. Fiduciary position:**

Directors being Trustees of the stake holders of the Company shall discharge their responsibilities upholding their fiduciary responsibilities or duties, which in short are as under:

- To act within their powers, in good faith to promote the success of the Company.
- To exercise independent judgment, reasonable care, skill and diligence.
- To avoid conflict of interest.
- Not to accept benefits from third parties, which are attributable consequent to

Independent directors, independent directorship of the Company.  
•To declare interest in proposed transactions or arrangements.

**e. Code of conduct:**

During the tenure of Independent Directors appointment, Independent Directors are required to comply with Schedule IV of the Companies Act, 2013 and all relevant regulations as may be issued by the Listing Authority with regard to insider trading and other market related matters from time to time. Independent Director will also adhere to the code of conduct as may be notified by the Board of Directors of the Company for its directors and other employees.

**f. Remuneration:**

Independent Directors annual remuneration will be as under:

- Sitting fees for attending each meeting of the Board and its Committees as may be determined by the Board from time to time, and
- Independent Directors will be entitled to reimbursement of expenses incurred by Independent Directors in connection with attending the Board meetings, Board Committee meetings, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.
- Pursuant to applicable law, Independent Director will not be entitled to any stock options.

**g. Confidentiality:**

Independent Director must apply the highest standards of confidentiality and not disclose to any person or company any confidential information concerning the Company and any Group Companies with which they come into contact by virtue of their position as Director.

**h. Independence:**

The Board of Directors of the Company inter alia has given due consideration to Independent Directors declaration of being qualified as 'independent' in accordance with the provisions of Companies Act, 2013 and the Listing Agreement with the Stock Exchanges. Independent Directors are expected to continue to be qualified as 'independent' during their tenure and provide periodic declaration to the effect as required by regulations. Independent Directors will be identified as 'Independent Director' in the annual report and other documents and publications of the Company. If circumstances change and Independent Director believe it may not be possible for Independent Director to retain their independence they should discuss this with the Chairman as soon as practicable.

**i. Performance Evaluation:**

Independent Directors reappointment or extension of term and their remuneration will be recommended by the Nomination and Remuneration Committee of the Board, pursuant to a performance evaluation carried out by the Board.

**j. Training:**

Independent Directors will be entitled to the benefit of a training program to familiarize themselves with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company operates, its goals and expectations and long term plans and objectives.

**k. Retirement or Termination:**

Independent Directors, directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Companies Act, 2013 Independent Directors directorship may be terminated for violation of any provision of the Company's Code of Conduct as applicable to Non-Executive Directors.

Independent 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 from the date on which the notice is received by the Company or the date, if any, specified by them in the notice, whichever is later. If at any stage during the Term, there is a change that may affect Independent Directors status as an Independent Director as envisaged in Section 149(6) of the 2013 Act or, if applicable, Independent Director fail to meet the criteria for "independence" under the provisions of Clause 49 of the Listing Agreement, Independent Directors agree to promptly submit their resignation to the Company with effect from the date of such change.

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