



# Monnet Industries Limited

## Terms and Conditions of Appointment of Independent Directors

### **1. APPOINTMENT**

In accordance with the provisions of the Companies Act, 2013 and other applicable laws, an Independent Director shall serve the office for a term up to consecutive 5 (five) years commencing from the date of his/her appointment, subject to the approval of shareholders at the General Meeting of the Company and shall not be liable to retire by rotation. Further, the Independent Director shall be appointed subject to the fulfillment of criteria of being an independent director and shall not be disqualified of being a Director.

Also, the re-appointment of Independent Director shall be on the basis of performance evaluation by the Board of Directors. Unless the appointment is renewed via special resolution the term of independent director shall come to an end on expiry of 5 years or the term decided while his appointment. Further, no Independent Director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director

### **2. MEMBERSHIP IN BOARD & OTHER COMMITTEES**

The Independent Director may be asked to serve on one or more committees set up by the Board of Directors of the Company and copies of the terms of reference for each of those committees shall be provided to the Independent Director. This committee includes:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee,

Further, it is expected that an independent Director will not serve on the boards & Committees of competing companies.

### **3. ROLE, DUTIES & RESPONSIBILITIES**

The role and duties of an Independent director shall be those as prescribed under the Companies Act, 2013 (including Rules thereunder) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015(Listing Regulations) .

#### **A. Roles & Responsibilities of Independent Director**

As Members of the Board, an Independent Directors along with the other Directors will be collectively responsible for meeting the objectives of the Board, viz.,

- a) Requirements under the Companies Act, 2013 and the rules thereunder;



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- b) Obligations under Regulation 25 of Listing Regulations;
- c) Accountability under the Director's Responsibility Statement;
- d) Performance Evaluation of Board of Directors & management in lines with agreed goals and objectives;

An independent Director shall abide by the 'Code For Independent Directors' as outlined in Schedule IV to section 149(8) of the 2013 Act, and Code of Conduct.

## **B. Duties of Independent Director**

The Duties of an Independent Director are enlisted below:

- a) To promptly inform the Company about changes, if any, in disclosure of interest and declarations furnished by an independent Director to the Company;
- b) To 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.
- c) To strive to attend the Board and General Meetings of the Company.
- d) To participate constructively and actively in the committees of the Board in which he/she is a chairperson or member.
- e) To bring an Independent judgment to bear in the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- f) To pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure that the same are in the interest of the company.
- g) To 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.
- h) To report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- i) To act within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees.
- j) To follow the duties as specified in the applicable laws, the Company's policies and the Articles of Association and the Companies Act, 2013;

## **4. REMUNERATION**

### **a) Sitting fees**

An Independent Director shall also be entitled for sitting fee to attend the meetings of the Board or Committee's thereof either personally or through Video Conferencing or other audio visual means or for any other mode whatsoever as may be decided by the Board of Directors from time to time. The remuneration and fee payable shall be subject to applicable tax deduction at source.



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## **b) Reimbursement of Expenses**

Any expenses incurred by the Independent Directors for attending the Board Meeting are reimbursed by the Company other than the sitting fees.

## **5. CONFIDENTIALITY**

All information acquired during the appointment is confidential to Monnet Industries Limited and should not be released, either during the appointment or following termination (by whatever means) to third parties without prior clearance from the Board of directors of the company unless required by law or by the rules of any stock exchange or regulatory body.

## **6. TRAINING AND DEVELOPMENT**

The Company would provide necessary support to Independent Directors in updating their skills and knowledge and improve their familiarity with the company and its business. The Company may, if required, will conduct formal training program for its Independent Directors.

## **7. PERFORMANCE EVALUATION**

- I. Performance of the Independent Directors shall be done by the entire board of directors.
- II. The criteria for evaluation of performance shall be determined by the Nomination and Compensation Committee of the Board as specified in SEBI (Listing Obligation and Disclosure Requirements).

## **8. INDEPENDENCE**

The Board of Directors of the Company inter alia will give due consideration to the Director's declaration of being qualified as 'independent' in accordance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements). He is expected to continue to be qualified as 'independent' during the tenure and provide periodic declaration to the effect as required by regulations. He will be identified as 'Independent Director in the annual report and other documents and publications of the Company. If circumstances change and the Independent Director believes that his independence may be in doubt, he should discuss this with the Chairman of the Company as soon as possible.

## **9. PUBLICATION OF THE LETTER OF APPOINTMENT:**

In line with provisions of Schedule IV under the Companies Act, 2013, the Company will make public the terms and conditions of appointment and will also arrange for it displayed on the Company's website and also send a copy of it to the stock exchanges.



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## 10. PROHIBITION ON INSIDER TRADING AND CODE OF CONDUCT

The Independent Directors are prohibited from dealing in the Company's shares during the period when the trading window is closed. Further, directors, being designated officers of the Company for the purpose of insider trading guidelines, are to pre-clear all trades (buy/sell/gift) from the Chairman & Managing Director of the Company and the Compliance Officer. The Director is required to comply with the applicable insider trading laws and regulations. He shall follow the Code for Independent Director' as per Schedule IV of the Companies Act, 2013 and 'MIND Code of Conduct' which will be enclosed with the letter of appointment.

## 11. CESSATION

- I. The appointment of the Independent Director may be terminated with or without cause at any time by the Company with immediate effect, in accordance with the Companies Act, 2013 and Rule and Regulations made thereunder and the Company's Articles of Association, as applicable if the Board of Directors (excluding the concerned Independent Director) is of opinion that the continued appointment is not in the interest of the Company.
- II. The Independent Director may resign from his position at any time by serving a reasonable written notice to the Board of Directors stating out the reason of resignation.

## 12. GENERAL

All the terms as mentioned above including the appointment, remuneration, professional conduct, role and functions, duties and evaluation shall be governed by the Companies Act, 2013 and Rules made thereunder & Corporate Governance requirements under the Listing Agreement, as amended from time to time

***Note: These are the general terms and conditions of appointment of Independent Directors which are subject to modification/ amendment.***