

## **Pitti Laminations Limited**

### **Abridged terms and conditions of appointment of Independent Directors**

#### **General terms of appointment**

- The term 'Independent Director' should be construed as defined under the Companies Act, 2013 and the Listing Agreement;
- Pursuant to the Member's approval at the Annual General Meeting held on 22<sup>nd</sup> September, 2014 the Company has appointed Independent Directors for a period of 5 consecutive years effective from 22<sup>nd</sup> September, 2014.
- Independent Directors appointment is subject to the maximum permissible directorships that one can hold as per the provisions of the Companies Act, 2013 the Rules made thereunder and the Listing Agreement of the Stock Exchange(s).
- Board may, nominate an Independent Director on one or more of the Committees of the Board / Management established by the Company. On appointment to any one or more committees, Independent Directors will be provided with the appropriate Committee charter which sets out the function of the Committee.

#### **Professional conduct**

An Independent Director shall:

- Uphold ethical standards of integrity and probity;
- Act objectively and constructively while exercising duties;
- Exercise responsibilities in a bona fide manner in the interest of the company;
- Devote sufficient time and attention to professional obligations for informed and balanced decision-making;
- Not allow any extraneous considerations that may vitiate exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision-making;
- Not to abuse the position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- Refrain from any action that could lead to a loss of independence;

- Ensure that if circumstances arise under which lead to loosing of independence, Independent Director will immediately inform the Board accordingly and;
- Assist the company in implementing the best corporate governance practices.

### **Duties of Independent Directors**

- To attend meetings of the Board, Board / Management Committees and shareholders meetings to discharge their duties effectively;
- To bring objectivity and independence of view to the Board's discussions and help to provide the Board with effective leadership in relation to the Company's strategy, performance and risk management as well as ensuring high standards of financial probity and corporate governance;
- To hold at least one meeting of the Independent Directors in a year, without the attendance of non-Independent Directors and members of management;
- An Independent Director shall disclose his / her interest in any contracts with a particular person, firm or company by way of general notice to the Board Pursuant to Section 184 of the Companies Act, 2013;
- To ensure compliance of provisions of the Companies Act, 2013 and the Listing Agreement, Independent Director shall adhere to Code of Independent Directors given in Schedule IV of Companies Act, 2013 apart from Company's Code of Conduct;
- To ensure that related party transactions are considered carefully before they are approved and are in the interest of the Company;
- To ensure that the whistleblower function of the Company is functioning adequately;
- Assist in protecting the legitimate interests of the Company and its employees and shareholders and
- Not to disclose any confidential information unless such disclosure is expressly approved by the Board or required by law.

### **Functions and Responsibilities of Independent Directors**

- To 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;

- To bring an objective view in the evaluation of the performance of Board and management;
- To scrutinize the performance of management in meeting agreed goals and objectives and monitors the reporting of performance;
- To oversee and ensure the integrity of financial information and legal compliance;
- To safeguard interests of all stakeholders, particularly the minority shareholders;
- To balance the conflicting interest of the stakeholders;
- To 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
- Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
- Independent directors have the same general legal responsibilities to the Company as that of any other director. The Board, as a whole, is collectively responsible for ensuring the success of the Company by directing and supervising the Company's affairs.

#### **Fees**

- Sitting fees as approved by the Board from time to time will be paid to Independent Directors for attending the Board and other Committee meetings.