



## **Terms and Conditions of Appointment of Independent Directors of Indo Tech Transformers Limited**

[Pursuant to the provisions of Schedule IV to the Companies Act, 2013 and Clause 49(II)(B)(4) of the Listing Agreement]

The broad terms and conditions of appointment of Independent Directors is reproduced hereunder:

### **1. Appointment**

1.1 The term "Independent Director" should be construed as defined under the Companies Act, 2013 and the listing agreement.

1.2 The Company has adopted the provisions with respect to appointment and tenure of Independent Directors as are consistent with the Companies Act, 2013 and the listing agreement.

1.3 An Independent Director is not liable to retire by rotation.

### **2. Committees**

The Board of Directors (the Board) may invite an Independent Director for being appointed on one or more of the existing Board Committees or any Committee(s) that may be set up in the future. The appointment on such Committee(s) will be subject to the applicable legal requirements.

### **3. Time Commitment**

An Independent Director is expected to bring objectivity and independence to the Board's discussions and help 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.

### **4. Fiduciary Duties**

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

I. They shall act in accordance with the Company's Articles of Association.

II. They shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company.

III. They shall discharge their duties with due and reasonable care, skill and diligence.

IV. 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 interests of the Company/Prolec GE Group or bring discredit to it. Any situation that creates a conflict of interest between personal interests and the Company and its stakeholders' interests, must be avoided at all costs. Please refer to clause 7 for full explanation on conflict of interest.

V. They shall not assign their office as Director and any assignments so made shall be void.

There are certain roles, functions duties prescribed for all Independent Directors, which are listed in the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013. They shall abide by the said 'Code of Conduct for Independent Directors' as amended from time to time to the extent relevant and applicable to their role.

## **5. Status of Appointment and Remuneration**

5.1 They will not be an employee of the Company and this appointment shall not constitute a contract of employment. They will be paid such remuneration by way of sitting fees for attending meetings of the Board and its Committees and Commission of Profits as may be decided by the Board and approved by the Members from time to time.

5.2 The sitting fees presently paid to an Independent Director is Rs. 20,000/- per Board meeting attended and Rs.20,000/- per Audit Committee meeting attended.

## **6. Reimbursement of Expenses**

In addition to the remuneration described in paragraph 5, the Company will, for the period of their appointment, reimburse them reasonable expenses incurred in the discharge of their roles/duties including travel, accommodation and out of pocket expenses.

## **7. Conflict of Interest**

7.1 It is accepted and acknowledged that they may have business interests, memberships other than those of the Company. As a condition to their appointment commencing, 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.

7.2 In the event that their 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 judgement that they are independent, this should be disclosed to both the Chairman and the Secretary.

## **8. Confidentiality**

All information acquired during their tenure of directorship is confidential and should not be disclosed, either during their tenure or following termination (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. In the latter case, they would be required to suitably inform the Chairman of such an event or disclosure. They should direct any media queries or approaches to the appropriate spokesperson within the Company. On reasonable request, they shall surrender any documents and other materials made available to them by the Company.

## **9. Dealings in shares**

They are required to comply with the Company's Insider Trading Code of Conduct. This code inter alia prohibits the Directors 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) from the Chairman/ Compliance Officer of the Company, if the trade involves 20,000 securities or more or market value of trade is expected to exceed Rs.10 lakhs. They are also required to comply with the applicable SEBI insider trading laws and regulations.

## **10. Evaluation**

The Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and the Directors on an annual basis. Their appointment and reappointment on the Board shall be subject to the outcome of the yearly evaluation process.

## **11. Insurance**

The Company has Directors' and Officers' liability insurance and it is intended that the Company will maintain such cover for the full term of their appointment.

## **12. Disclosure of Interest**

It is expected that any interest they may have in any transaction or arrangement that the Company has entered into should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record their interest appropriately and our records are updated. A general notice that they are interested in any contracts with a particular person, firm or company is acceptable.

## **13. Resignation / Termination**

13.1. They may resign from their position at any time and should they wish to do so, they are requested to serve a written notice to the Board. Further, in terms of provisions of the Companies Act, 2013, they are required to file a copy of their resignation letter with the Registrar of Companies.

13.2 Continuation of their appointment is contingent on their getting re-elected by the shareholders in accordance with provisions of the Companies Act, 2013, listing agreement and the Articles of Association of the Company, from time to time in force. They will not be entitled to any compensation if the shareholders do not re-elect them at any time.

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