

## **Terms and conditions of the Appointment of Independent Directors of Yasho Industries Limited**

### **1. Appointment**

- 1.1 The Appointment of Independent Director is for the term of five (5) consecutive years.
- 1.2 The term “Independent Director” should be construed as defined under the Companies Act, 2013 and the listing obligations and disclosure requirements (LODR).
- 1.3 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 LODR.
- 1.4 Independent Director is not liable to retire by rotation.

### **2. Board Committees**

During the tenure of office, Independent Director may be required to serve on one or more of the Committees of the Board as may be decided by the Board from time to time. The role of the Committees would be as laid down by the Board from time to time in consonance with the provisions of Companies Act, 2013 and LODR.

### **3. Expectations, Roles, Functions and Duties**

3.1 Independent Director are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective inputs in relation to the Company's strategy, performance and risk management as well as ensuring high standards of financial probity and corporate governance. Independent Director is also expected to observe and comply with applicable laws, the charter documents of the Company and the rules, regulations and policies of the Company, in relation to directorship of independent director and the business of the Company.

3.2 Role and duties of Independent Director will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and, including in relation to attendance of meetings, maintenance of confidentiality, safeguarding the interests of the stakeholders, bringing objective judgment, asking clarifications, etc.

3.3 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. Independent Director shall abide by the said 'Code of Conduct for Independent Directors' as amended from time to time to the extent relevant and applicable to role of Independent Director.

3.4 Independent Director is expected to attend the Board, the Board Committees and the Annual General Meetings and to devote sufficient time, as required for Independent Director to discharge his/her duties effectively.

#### **4. Fiduciary Duties**

Role and duties of Independent Director are those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the LODR. 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. Independent Director shall act in accordance with the Company's Articles of Association.
- II. Independent Director 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. Independent Director shall discharge his/her duties with due and reasonable care, skill and diligence.
- IV. Independent Director shall not involve himself/herself in a situation in which he/she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company 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.
- V. Independent Director shall not assign his/her office as Director and any assignments so made shall be void.

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

Independent Director is not an employee of the Company and this letter does not constitute a contract of employment. Independent Director 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.

#### **6. Disclosure of Interest**

6.1 It is accepted and acknowledged that Independent Director may have business interests, memberships other than those of the Company. As a condition to his/her appointment commencing, he/she is required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of his/her appointment.

6.2 In the event that circumstances of Independent Director 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 judgment that he/she is independent, such change in interest should be disclosed to both the Chairman and the Company Secretary.

#### **7. Induction and Development**

The Company will, from time to time, brief Independent Director on all business related matters, risk assessment & minimization procedures and proposed new initiatives. The Company shall also update Independent Director on changes / developments in the domestic / global corporate and industry scenario including those pertaining to statutes / legislation and economic environment.

#### **8. Performance Evaluation Process**

Performance of the independent directors as well as the performance of the entire Board and its Committees will be evaluated annually as required under the provisions Companies Act, 2013, LODR and against the parameters of evaluation laid down by the Nomination and Remuneration Committee.

## **9. Termination**

9.1 Independent Director may resign from the position of independent director at any time by serving a reasonable written notice on the Board stating out the reason for resignation. Further, appointment of Independent Director shall be terminated in accordance with applicable law.

9.2 Continuation of appointment of Independent Director is contingent on getting re-appointed of Independent Director by the shareholders in accordance with provisions of the Companies Act, 2013, LODR and the Articles of Association of the Company, from time to time in force. Independent Director will not be entitled to any compensation if the shareholders do not reappoint Independent Director at any time.

## **10. Confidentiality**

10.1 All information acquired during tenure of directorship of Independent Director is confidential and should not be disclosed, either during his/her 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, Independent Director would be required to suitably inform the Chairman of such an event or disclosure. Independent Director should direct any media queries or approaches to the appropriate spokesperson within the Company. On reasonable request, Independent Director shall surrender any documents and other materials made available to Independent Director by the Company.

10.2 Independent Director is subject to and bound by the prohibition and restrictions against insider trading and disclosure of unpublished price sensitive information, as prescribed under the Act and the regulations issued by the Securities and Exchange Board of India ("SEBI"). He/she is expected to strictly abide by the Code of Conduct for Prevention of Insider Trading of the Company under SEBI (Prohibition of Insider Trading) Regulations, 2015 (as amended or replaced from time to time).

## **11. Liability**

Subject to applicable law, for any breach of duties, Independent Director will be liable to consequence prescribed under applicable law and in relation to the Company. Independent Director would be liable for such acts of omission or commission by the Company which had occurred with knowledge of Independent Director, attributable through Board processes, and with consent or connivance of Independent Director, or where Independent Director has not acted diligently.

## **12. Miscellaneous**

12.1 Appointment of Independent Director is also subject to the maximum permissible directorships that one can hold under applicable law, including as per the provisions of the Companies Act, 2013 and the Listing Obligations and Disclosure Requirements.

13.2. Independent Director will be invited to attend ongoing training and familiarization sessions, including briefings from management and site visits.