

Terms and Conditions of appointment of Independent Directors

The terms and Conditions of the appointment of Independent Directors of ARGL Limited (“ARGL”, “Company”) are subject to the applicable provisions of the Companies Act, 2013 (“the Act”), read with the Rules framed thereunder, as amended from time to time, and the provisions of the Articles of Association of the Company.

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

TERMS OF APPOINTMENT OF INDEPENDENT DIRECTOR(S)

1. The Company has adopted the requirements under the provisions of the Companies Act, 2013, including rules made thereunder, as modified, amended or substituted from time to time and as may be applicable with respect to appointment and tenure of Independent Directors.
2. The Company shall ensure that pursuant to the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, any person who is willing to be appointed as an independent director of the Company has applied to the Indian Institute of Corporate Affairs at Manesar for inclusion of his/her name in the databank to hold the Office of an independent director in the Company. Also, the person concerned willing to be appointed as an independent director or who has been appointed as an independent director of the Company, except falling in exempted class, must pass an online proficiency self-assessment test conducted by the institute within the prescribed time limit
3. The appointment shall be at the recommendation of the Nomination and Remuneration Committee and shall be for the period agreed (“Term”). The Company may remove Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the Companies Act, 2013 and the Articles of Association of the Company.
4. Further, in compliance with provision Section 149(13) of the Companies Act, 2013, Independent Directors are not liable to retire by rotation.
5. Re-appointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders.
6. The directors may be requested to be a member / Chairman of any one or more Committees of the Board which may be constituted from time to time. The appointment on such Committee(s) will be subject to the applicable provisions of the laws/regulations.
7. The appointment shall also be subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013.

RESIGNATION

Independent Directors may resign from his/her position at any time and should he/she wish to do so, he/she is requested to serve a reasonable written notice to the Board and shall be in compliance of the applicable provisions of the Companies Act, 2013.

TIME COMMITMENT

Considering the nature of the role of an Independent Directors, it is difficult for the Company to lay down specific parameters on time commitment. However Independent Directors agree to devote such time as is prudent and necessary for the proper performance of his/her role, duties and responsibilities as Independent Director.

ROLE, DUTIES AND RESPONSIBILITIES

As members of the Board, Independent Director along with the other Directors will be collectively responsible for meeting the objectives of the Board which include but not limit to:

- A. Requirements under the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013,
- B. Accountability under the Director’s Responsibility Statement.
- C. The role and duties of Independent Directors will be those normally required of a Non Executive Independent Director under the Companies Act, 2013 and the Articles of Association of the Company.

D. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- I. He/she 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 interest of the Company.
- II. He/she shall discharge his/her duties with due and reasonable care, skill and diligence.
- III. He/she shall not involve himself / herself in a situation in which he/she may have a director indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- IV. He/she shall not achieve or attempt to achieve any undue gain or advantage directly or indirectly.

Independent Directors shall:

- I. Constructively assist and contribute in building strategies for the growth of the Company.
- II. Evaluate the performance of management in meeting agreed goals and objectives.
- III. Determine appropriate levels of remuneration of Executive Directors and play a prime role in appointing, and where necessary, removing Executive Directors and in succession planning.
- IV. Keep Governance and Compliance with the applicable legislation and
- V. Regulations under review and the conformity of Company's practices. Directors shall abide by the 'Code for Independent Directors as outlined in Schedule IV to the Companies Act, 2013.
- VI. Directors shall not disclose any confidential/privileged information of the Company unless such disclosure is expressly approved by the Board or required by law.
- VII. An Independent Director shall at all times comply with the Companies (Creation & Maintenance of databank of Independent Directors) Rules, 2019, and or any modifications brought in by the Ministry of Corporate Affairs to the said Rules as and when it deems fit.

REMUNERATION OF INDEPENDENT DIRECTORS

1. Independent Directors will be paid such remuneration by way of sitting fees for meetings of the Board and its Committee(s) as may be decided by the Board from time to time in accordance with the limits prescribed under the Companies Act, 2013, and rules made thereunder. Independent Directors have no entitlement to any bonus and no entitlement to participate in any employee stock option scheme of the Company.
2. The Company may pay or reimburse to the Director such expenditure, as may have been incurred by the Independent Director while performing his/her role as an Independent Director of the Company, including reimbursement of expenditure incurred for accommodation, travel and any out of pocket expenses incurred for attending Board/ Committee Meetings, General Meetings, Court Convened Meetings, Meetings with Shareholders/ Creditors/ Management etc., subject to the expense being reasonable.

TRAINING AND DEVELOPMENT

The Company may at its discretion, support Directors to continually update their skills and knowledge and improve their familiarity with the Company and its business.

CONFLICT OF INTEREST

1. It is accepted and acknowledged that Independent Directors may have business interests other than those of the Company. As a condition to appointment, he/she is required to declare any such directorships, appointments and interests to the Board in writing in the form prescribed under the Companies Act, 2013 at the time of appointment and thereafter either annually or whenever there will be any change in the disclosures.

2. In the event that 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 he/ she is independent, this should be disclosed to the Company promptly.
3. He/she shall not participate in any business activity which might time be impacted by his/her personal interest and which may affect the application of his/her independent judgement in the best interest of the Company.

PERIODICAL EVALUATION PROCESS

As members of the Board, the performance of Independent Directors as well as the performance of the entire Board and its Committees will be evaluated annually. Evaluation of each director shall be done by all the other directors. The evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board/Committee.

CHANGES OF PERSONAL DETAILS

During the Term, Independent Directors shall promptly intimate the Company in the prescribed manner, of any change in address or other contact and personal details provided to the Company and shall also ensure all necessary compliances as may be necessary to give effect to change of personal details..

CONFIDENTIALITY

1. Unless specifically authorized by the Company, the Independent Directors shall keep confidential all information concerning the Company and shall not divulge or disclose the same to any person during the term of his/her appointment. His / her obligation of confidentiality shall survive cessation of his/her directorships with the Company.
2. The Independent Directors agree not to engage in any activity that might impede the application of his/her independent judgement in the best interest of the Company.

GENERAL

The appointment of Independent Directors and any non-contractual obligations arising out thereof shall be governed by and be construed in accordance with, the laws of India, and the parties agree to submit to the exclusive jurisdiction of the courts of Delhi.

Note: These are the general terms and conditions of appointment of Independent Directors, which are subject to modification/amendment at any time. Further In case of inconsistencies between the provisions of existing laws and Policy of the Company, the law shall prevail, and the language of the Policy shall be altered/amended in due course of time to bring parity between the two.