

## **Terms and Conditions of Appointment as an Independent Director(ID ) of Bharat Seats Limited(Company)**

The appointment as an independent director is subject to the Articles of Association of the Company and the terms and conditions set out below:

### **1. Term of Appointment**

1.1 The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the Listing Agreement. The appointment as an independent director on the Board is effective for a period of five consecutive years. Any term renewal is subject to review by the Nomination and Remuneration Committee, Board of Directors and approval of shareholders. The ID will not be liable to retire by rotation. The Company is at liberty to disengage ID earlier subject to compliance of relevant provisions of the Companies Act, 2013.

### **2. Committees**

The ID shall remain appointed on one or more existing Board Committees or shall be appointed in any such Committee that is set up in the future. Their appointment on such Committee(s) will be subject to the applicable regulations.

### **3. Time Commitment**

The ID will be expected to attend Board, Board Committees to which he/ she is appointed and Shareholders meetings and to devote such time to his/ her duties, as appropriate for him/ her to discharge the duties effectively.

By accepting the appointment, he/ she undertakes that, he/she is in a position to allocate sufficient time to meet the expectations to the satisfaction of the Board.

#### **4. Role and Duties**

The role and duties will be those normally prescribed of a Independent Director under the Companies Act, 2013 and the listing agreement. They shall be required to perform certain duties prescribed for all Directors, both Executive and Non-Executive, which are as under:

- I. He/ she shall act in good for the benefit of its members as a whole, and in the best interest of the Company.
- II. He/ she shall discharge duties with due and reasonable care, skill and diligence.
- III. He/ she shall not involve yourself in a situation in which may have a direct or 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 either to himself/ herself or to your relatives, partners or associates.
- V. He/ she shall not assign his/ her office as Director and any assignments so made shall be void.

In addition to the above requirements applicable to all Directors, they shall be required to perform the role of the Independent Director with the following key elements:

Strategy: He/ she shall constructively challenge and help develop proposals on strategy;

Performance: He/ she shall scrutinise the performance of management in meeting agreed goals and objectives;

Risk: He/ she shall satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;

Reporting: He/ she shall take responsibility for the processes for accurately reporting on performance and the financial position of Company; and

Compliance: He/ she shall keep governance and compliance with the applicable legislation and regulations under review and the conformity of Company's practices to accepted norms.

#### **5. Status of Appointment**

5.1 He/ she shall not be an employee of the Company. He/ she shall be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as

may be decided by the Board from time to time.

5.2 The sitting fees presently paid to the Non-Executive Independent Director is Rs. 40,000/- per meeting of the Board or a Committee thereof.

## **6. Conflict of Interest**

6.1 He/ she may have business interests 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 his/ her 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 both the Chairman and the Secretary.

6.3 Any material interest that an ID may have in any transaction or arrangement that the Company has entered into, should be disclosed not later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record the interest appropriately and Company's records are updated.

## **7. Performance Evaluation**

The performance Evaluation of ID will be conducted by the entire Board, excluding him, on an annual basis and based on the parameters prescribed by the Nomination And Remuneration Committee of the Company.

## **8. Confidentiality**

All information acquired during his/ her appointment is confidential to Company and should not be released, either during their appointment 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. On reasonable request, he/ she shall surrender any documents and other materials made available to ID by Company.

He/ she shall comply with requirements under the applicable regulations issued by the Securities And Exchange Board of India(SEBI) which concern the disclosure of price sensitive information and dealing in the securities of the Company.