

## **TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS**

The terms of appointment of Independent Directors, as set out in their appointment letter, are subject to the extant provisions of the (i) applicable laws, including the Companies Act, 2013 (2013 Act) and Clause 49 of the Listing Agreement (as amended from time to time) and (ii) Articles of Association of the Company (“**AOA**”).

The broad terms and conditions in consonance with the requirements of Schedule IV of the 2013 Act pertaining to the Code of Independent Directors and Clause 49 of the Listing Agreement conveyed to them of their appointments as Independent Directors on the Board of the Company are reproduced below:

### **1. Appointment**

Their appointment will be for a period up to the dates mentioned above against their respective names. The Company may disengage Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the 2013 Act.

As an Independent Director, they would not be liable to retire by rotation.

Reappointment 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. Their reappointment would be considered based on the outcome of the performance evaluation process and them continuing to meet the independence criteria.

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. They may also be requested to be a director on the board of directors of a material non-listed Indian subsidiary company.

### **2. Role, duties and responsibilities**

- A. As member of the Board they along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:
  - Requirements under the Companies Act, 2013,
  - Responsibilities of the Board” as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under Clause 49 of the Listing Agreement,
  - Accountability under the Director’s Responsibility Statement.
- B. They shall abide by the ‘Code For Independent Directors’ as outlined in Schedule IV to section 149(8) of the 2013 Act, and duties of directors as provided in the 2013 Act (including Section 166) and in Clause 49 of the Listing Agreement.
- C. Additionally, the specific responsibilities of an independent director - Chairman of the Board, would include the following:<sup>1</sup>
  - Setting the strategic agenda of the Board with focus on long term value creation for all stakeholders.

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<sup>1</sup> Clause 2(C) applicable in case of Independent Director who is also the Chairman.

- Establishing clear expectations in regard to culture, style and tone of Board discussions and decisions and promoting independent decision making by other Board members.
- Leading the Board and ensuring that it operates effectively in relation to all objectives.
- Encouraging active engagement of all Board members in Board meetings.
- Ensuring effective communication with all stakeholders.
- Chairing and conducting general meetings of shareholders.
- Motivating and providing guidance to the Managing Director (“MD”)/ Chief Executive Officer (“CEO”).

### **3. Time Commitment**

Considering the nature of the role of a director, it is difficult for a company to lay down specific parameters on time commitment. They agree to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as an Independent Director.

### **4. Remuneration**

As an Independent Director they shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are a member. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board from time to time.

In addition to the sitting fees, commission as determined by the Board may also be payable to them. In determining the amount of this commission, the Board supported by the Nomination and Remuneration Committee may consider performance of the Company and their performance as evaluated by the Board.

Further, the Company shall pay or reimburse to them such expenditure, as may have been incurred by them while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by them for accommodation, travel and any out of pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of their duties as an Independent Director.

### **5. Insurance**

The Company will take an appropriate Directors’ and Officers’ Liability Insurance policy and pay the premiums for the same. It is intended to maintain such insurance cover for the Term of their appointment and shall be maintained for all the actions taken by them while discharging their role as independent director even after expiry of their term.

### **6. Tata Code of Conduct**

As an Independent Director of the Company, they agree to comply with the Tata Code of Conduct for Non-Executive Directors (NEDs).

Unless specifically authorised by the Company, they shall not disclose company and business information to constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers.

Their obligation of confidentiality shall survive cessation of their directorship with the Company.

We would also like to draw their attention to the applicability of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Tata Code of Conduct on Prevention of Insider Trading, prohibiting disclosure or use of unpublished price sensitive information.

Additionally, they shall not participate in any business activity which might impede the application of their independent judgment in the best interest of the Company.

All Directors are required to sign a confirmation of acceptance of the Tata Code of Conduct for NEDs as adopted by the Board on annual basis.

## **7. Training and Development**

The Company may, if required, conduct formal training program for its Independent Directors which may include any or all of the following:

- Board roles and responsibilities, whilst seeking to build working relationship among the Board members,
- Company's vision, strategic direction, core values, ethics and corporate governance practices,
- Familiarization with financial matters, management team and business operations,
- Meetings with stakeholders, visits to business locations and meetings with senior and middle management.

The Company may, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

## **8. Performance Appraisal / Evaluation Process**

As a member of the Board, their performance 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 criteria for evaluation shall be disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee.

## **9. Disclosures, other directorships and business interests**

During the Term, they agree to promptly notify the Company of any change in their directorships, and provide such other disclosures and information as may be required under the

applicable laws. They also agree that upon becoming aware of any potential conflict of interest with their position as Independent Director of the Company, they shall promptly disclose the same to the Chairman and the Company Secretary. By signing this letter, they hereby confirm that as on date of this letter, they have no such conflict of interest issues with their existing directorships.

During their Term, they agree to promptly provide a declaration under Section 149(7) of the 2013 Act, upon any change in circumstances which may affect their status as an Independent Director.

#### **10. Changes of personal details**

During the Term, they shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

#### **11. Disengagement**

They may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by them in the notice, whichever is later.

Their directorship on the Board of the Company shall cease in accordance with law. The Company may disengage Independent Directors prior to completion of Term (subject to compliance of relevant provisions of the 2013 Act) upon

- Violation of any provision of the Tata Code of Conduct as applicable to Non-Executive Directors,
- Upon the director failing to meet the criteria for independence as envisaged in Section 149(6) of the 2013 Act or Clause 49 of the Listing Agreement.

#### **12. Miscellaneous**

This letter along with their detailed profile shall be disclosed on the website of the Company and the relevant stock exchange.

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