

## **SINTEX INDUSTRIES LIMITED**

### **Terms & Conditions of Appointment of Independent Director(s)**

#### **1. Professional Conduct**

As Independent Directors of the Company, they shall:

- (i) uphold ethical standards of integrity and probity;
- (ii) act objectively and constructively while exercising their duties;
- (iii) exercise their responsibilities in a bona fide manner in the interest of the Company;
- (iv) devote sufficient time and attention to their professional obligations for informed and balanced decision-making;
- (v) not allow any extraneous considerations that may vitiate their exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (vi) not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (vii) refrain from any action that could lead to a loss of their independence;
- (viii) ensure that if circumstances arise under which they may lose their independence, they will immediately inform the Board accordingly;
- (ix) assist the Company in implementing the best corporate governance practices.

#### **2. Duties as a Director of the Company**

The Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations has prescribed certain duties for directors, which are fiduciary in nature. Accordingly, as Directors of the Company, they shall:

- (i) act in accordance with the Company's Articles of Association;
- (ii) 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, its employees, the shareholders, the community and for the protection of environment;
- (iii) discharge duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
- (iv) not be involved in situations of conflicts or possible conflicts with the interest of the Company. Please refer to clause 9 for full explanation on conflict of interest;
- (v) not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates;
- (vi) not assign their office as Director and any assignment so made shall be void.

In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, they will also be abide by the Code of Conduct of the Company shall affirm compliance with the code on an annual basis.

### **3. Responsibility, Role and Function**

#### **3.1 Responsibilities:**

As an Independent Director of the Company, they will have the same responsibilities as that of any other directors of the Company. The Board of the Company as a whole is collectively responsible to provide direction and supervision to the Company.

#### **3.2 Role as an Independent Director**

As independent directors, they will:

- (i) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (ii) bring an objective view in the evaluation of the performance of board and management;
- (iii) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (iv) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (v) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (vi) balance the conflicting interest of the stakeholders;
- (vii) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (viii) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

#### **3.3 Duties**

As independent directors, they will:

- (i) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (ii) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;

- (iii) strive to attend all meetings of the Board of Directors and of the Board committees of which they are a member/chairperson;
- (iv) participate constructively and actively in the committees of the Board in which they are chairperson/member;
- (v) strive to attend the general meetings of the company;
- (vi) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (vii) keep themselves well informed about the company and the external environment in which it operates;
- (viii) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (ix) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (x) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (xi) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (xii) act within their authority, assist in protecting the legitimate interests of the company, shareholders and the employees;
- (xiii) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

#### **4. Time commitment**

4.1 They will devote such time to the affairs of the Company as is required for discharging their duties as member of the Board and member/Chairman of (Name of Committee).

4.2 The Board, the Audit Committee and Nomination and Remuneration Committee meetings are generally held four times a year within stipulated time of the close of the quarter. The Board has also constituted various other committees viz. the Stakeholders Relationship Committee, CSR Committee which conduct their meetings at regular intervals and as and when the need arises. Depending upon the need, the Board / Board committees may conduct additional meetings as and when required.

4.3 They will consult with the Chairman if they propose to accept additional assignments that may impact their time availability for fulfilling their aforesaid role for the Company.

## **5. Induction, Training and Development**

The Company conducts training and knowledge sessions for its Directors, which may include all or any of the following:

- a) Meeting with Key Management;
- b) Visit to Plants

It is recommended that they attend all these programs and sessions which will help broaden their understanding of the Company, its business, and the environment and markets in which it operates.

## **6. Remuneration**

Their remuneration is governed by the Companies Act, 2013.

## **7. D & O Insurance**

Presently the Company has a Directors and Officers' liability insurance policy ("D & O policy") and intends to assume and maintain such cover for the full term of their appointment.

## **8. Performance Evaluation**

Their appointment and re appointment on the Board shall be subject to the outcome of the annual performance evaluation process. The Board shall carry out an evaluation of the performance as per the approved evaluation on an annual basis.

## **9. Conflict of Interest and disclosure**

It is accepted and acknowledged that they may have business interests other than those in the Company. As a condition to their appointment, they are required to declare all such directorships, appointments and interests to the Board in writing in the prescribed form annually and as and when there is any change. The Secretarial Department will assist them in making these disclosures in a timely manner.

In the event, that their circumstances seem likely to change and might give rise to a conflict or interest or a change which impacts their independence as an Independent Director of the Company, they shall intimate to the Company forthwith.

It is expected that they will not serve on the Boards of competing companies.

#### **10. Independent professional Advice**

There may be occasions when they consider that they need professional advice in furtherance of their duties as a Director and it will be appropriate for them to consult independent advisers at the Company's expense. The Company will reimburse the full cost of expenditure incurred in accordance with the Company's policy.

#### **11. Disclosure of Interest**

The Company is required to include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest 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 Company's records are updated. A general notice that they are interested in any contracts with a particular person, firm or company is acceptable.

#### **12. Obligations with respect to independent directors.**

(1) An independent director shall be held liable, only in respect of such acts of omission or commission by the listed entity which had occurred with his knowledge, attributable through processes of board of directors, and with his consent or connivance or where he had not acted diligently with respect to the provisions contained in these regulations.

(2) An independent director who resigns or is removed from the board of directors of the listed entity shall be replaced by a new independent director by listed entity at the earliest but not later than the immediate next meeting of the board of directors or three months from the date of such vacancy, whichever is later:

Provided that where the listed entity fulfils the requirement of independent directors in its board of directors without filling the vacancy created by such resignation or removal, the requirement of replacement by a new independent director shall not apply.

(3) Every independent director shall, at the first meeting of the board in which he participates as a director and thereafter at the first meeting of the board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, submit a declaration that he meets the criteria of independence as provided in clause (b) of sub-regulation (1) of regulation 16 and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

### **13. Independent director databank registration**

All Independent Directors responsibilities shall submit annual declarations confirming that they have already registered their names with the data bank maintained by the Indian Institute of Corporate Affairs ["IICA"] as prescribed by the Ministry of Corporate Affairs under the relevant rules. They shall clear the exam as prescribed under the aforesaid Notification

### **14. Confidentiality**

14.1 All information that is sent to them (excepting public disclosures or press releases) shall be treated as confidential and should not be disclosed or released to any third party either during their tenure or later without preclearance in writing from the Company, unless required by law or by the rules of any stock exchange or regulatory body, which shall be intimated forthwith upon disclosure. We also expect even if disclosed with appropriate consent, that such third party be bound by the same terms of confidentiality.

14.2 In the course of their duties, they will be privy to price sensitive information and data, forecasts and plans. Their attention is drawn to the guidelines on insider trading, disclosure and prohibition of forward looking statements. It is prudent for them to avoid making any statement or disclosing information in breach of the guidelines, regulations and code of conduct and it is suggested to consult the Company if they require any clarification.

Company's insider trading code is available on the website of the company and a copy of the same may also be obtained from the Company Secretary's office.

### **15. Conclusion of appointment/ termination**

15.1 Their tenure on the Board shall be in accordance with the policy on appointment of independent directors adopted by the Board from time to time and on such terms as approved by the shareholders of the Company.

15.2 They may resign from their position at any time and should they wish to do so, they are requested to serve a reasonable written notice on the Board.

15.3 Continuation of their appointment is contingent on their getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the

Articles of Association of the Company, from time to time in force. They will not be entitled to compensation if the shareholders do not re-elect them at any time.

15.4 Their appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company for the time being in force.

15.5 On the conclusion of their tenure, they will return any property and assets of the Company in their possession including information and data. They will also not retain any copy of the information and data unless approved in writing by the Company.

## **16. Publication of the terms & conditions**

In accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations and Schedule IV of the Companies Act 2013, the Company will disclose terms and conditions of the appointment on the website of the Company.

## **17. Miscellaneous**

15.1 This annexure forms the terms of their appointment as an Independent Director of the Company. We clarify that this annexure / letter is not a contract for service or employment and they will not be entitled to any compensation for loss of office.

15.2 The terms of their appointment are subject to the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, Articles of Association of the Company and other laws as may be applicable from time to time. In case of any inconsistency between the statutory provisions and as provided herein, the statutory provisions will prevail over the contents of this and the terms of this annexure shall stand amended automatically to that extent.

15.3 Their terms of appointment including the terms mentioned herein are governed by the Indian Laws and accordingly shall be subject to the exclusive jurisdiction of the courts in Gujarat.

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