

## MANAKSIA INDUSTRIES LIMITED

### TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS OF THE COMPANY

The following are the terms and conditions of appointment of Independent Directors of the Company viz. Mr. A K Chakraborty, Dr. K K Chaudhuri and Mrs. Smita Khaitan

#### 1. TERM OF APPOINTMENT:

- 1.1 As per the provisions of sub-section (10) of Section 149 and in accordance with the resolution passed by the Shareholders in the Extra-Ordinary General Meeting (hereinafter referred to as EGM) of the Company held on Monday 17<sup>th</sup> November 2014, appointment of Independent Directors will commence from the conclusion of this EGM and will continue until the conclusion of the Annual General Meeting of the Company to be held in Calendar Year 2019. At that meeting the Independent Directors shall cease to hold office of independent director of the Company unless otherwise decided by the Company in accordance with the provisions of the Companies Act, 2013.
- 1.2 Independent Directors appointment shall not be subject to retirement by rotation as per the provisions of sub-section (6) of Section 152 of Companies Act, 2013 read with the Articles of Association of the Company.
- 1.3 Appointment as Independent Director of the Company was based, inter alia, on declaration by Independent Directors that they comply with the conditions of independence as listed in Section 149 (6) of the Companies Act 2013, read with relevant rules, and the Listing Agreement. If there is any change in circumstances affecting their independence, Independent Directors are required to immediately let the Board of Directors know of the same, in terms of Section 149 (7) of the Act.
- 1.4 Independent Directors appointment will also terminate automatically on the expiry of the term of appointment as above, or if they vacate their office in terms of sec 167 of the Act. There is no compensation for termination of office in any circumstance.

#### 2. DUTIES

- 2.1 As an independent director, besides the functions and duties applicable to every director, or the functions or duties of the Board collectively, Independent Directors have several duties as set out in Schedule IV of the Act. A copy of the same is enclosed herewith.
- 2.2 **Committees to be served-** Independent Directors may be required to serve on one or more Board Committees as may be decided by the Board from time to

time. The tasks to be accomplished by being a part of each of the above-mentioned committee shall be specified in the terms of the said committee, a copy of which shall be provided to you separately. Independent Directors may also be required to serve on any other sub-committee of the Board and/or to accept additional appointments in or on behalf of the Company where best practice requirements dictate that an independent, non-executive director's presence is required.

### 3. REMUNERATION

3.1 Independent Directors will be entitled to such sitting fees as approved by the Board. Currently, the sitting fees are Rs. 1,000/- for every Board Meeting and other Board Committee Meetings attended during their term of appointment. Expenses incurred by Independent Directors for the purpose of attending any meeting of the Board, or for participating through video conferencing as permitted by the Board, will be reimbursed separately as per the company's normal policy on reimbursements.

3.2 With the prior approval of the Chairman, Independent Directors may seek independent professional advice, at the Company's expense, on any matter connected with the discharge of their responsibilities as a Director. Copies of this advice must be made available to, and for the benefit of, all Board members, unless the Chairman otherwise agrees.

### 4. GENERAL

**4.1 Fiduciary duties and accompanying liabilities** - Independent Directors will be expected to perform their general fiduciary duties and exercise the skill and care expected of every Director. Independent Directors do not have authority to commit the Company in any way, nor should they make any statements on the Company's behalf or concerning the Company to the media, financial institutions or anyone associated with the stock market or investor community without the express authorisation of the Board.

Independent Directors will be held liable, only in respect of such acts of omission or commission by a company which have occurred with their knowledge, attributable through Board processes, and with their consent or connivance or where they have not acted diligently.

**4.2 Directors and Officers (D and O) insurance-** The Independent Directors will be entitled to coverage under Directors and Officers Liability Insurance as per Company's rules.

**4.3 The Code of Business Conduct and Ethics** – The Company has a Code of Business Conduct and Ethics to be observed by its Board Members and Senior Management Personnel, which is placed on the website of the Company and a copy of the same shall be provided to Independent Directors. The purpose of this code is to enhance ethical and transparent process in managing the affairs of the Company.

4.4 The list of actions that a director should not do while functioning as such in the company includes the following:

4.4.1 Any action that involves any violation of applicable law;

4.4.2 Any action that involves any breach, in letter and spirit, of the Company's Code of Business Conduct and Ethics for Board Members and Senior Management Personnel;

4.4.3 Any action that either involves the directors' personal interest, except as disclosed as per applicable law, or unduly compromises or conflicts with the interest of the company.

4.5 The Company confirm that:-

(a) Independent Directors will be given full access to all information in or about the Company and its affairs which is available to the executive directors;

(b) agendas for Board meetings and all relevant papers which require study before Board meetings will be provided to Independent Directors in good time (save in exceptional circumstances) to allow them to consider in advance of meetings (and likewise for the proceedings of committees); and

(c) Independent Directors will be given access to the Chairman, the Chief Executive Officer and the Chief Financial Officer of the Company, on a personal basis, whenever they request to see them, diaries permitting