

**TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS OF APM INDUSTRIES LIMITED ("THE COMPANY")**

**1. Appointment & Tenure**

Currently, the Company has 3 (Three) Independent Directors ("IDs"). Their tenure is as under:

- a. Shri Khushi Ram Gupta - w.e.f. April 1, 2019 upto March 31, 2024\*
- b. Shri Ram Ratan Bagri - w.e.f. April 1, 2019 upto March 31, 2024\*
- c. Smt. Uma Hada - w.e.f. September 25, 2015 upto September 24, 2020

*\*Re-appointed by Board at its meeting held on February 26, 2019 for another term of 5 (five) consecutive years subject to the approval of the members at the ensuing Annual General Meeting of the Company.*

The appointments of IDs will also be subject to the maximum permissible Directorships as per the provisions of the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) 2015, as amended from time to time ("Listing Regulations").

Relationship of IDs with the Company will be that of an office-holder and it is not a contract of employment with the Company.

**2. Board Committees**

The Board has constituted several Committees of Directors, with adequate delegation of powers. Subject to the applicable regulations and as advised by the Board, IDs may be required to serve on one or more Committees of the Board established by the Company or any such Committee that may be set up in the future. These Committees meet periodically as per business requirements or as may be mandated by law.

**3. Familiarisation Programme for Independent Directors**

Every new Independent Director attends an orientation program. Further, on a continuing basis, presentations are made by the Executive Directors / Senior Managerial Personnel to the Directors. The presentations cover an overview of nature of the industry in which the Company operates, Company's strategies, organization structure, business model, operations, functions, risk management, roles, rights and responsibilities of Directors etc. Further, periodic presentations are also made on business of the Company and updates on all applicable laws.

**4. Time Commitment**

We anticipate IDs time commitment involving attendance at all Board meetings, Committee meetings of which they may be appointed as a member and the General meetings of the members of the Company.

In terms of the Act and Listing Regulations, IDs are required to hold at least one separate meeting without attendance of Non-IDs and members of management. All IDs shall strive to be present at such meeting.

#### **5. Functions, Duties and Liabilities**

All IDs will be required to act in accordance with the Articles of Association of the Company ('AOA') and subject to the provisions of the Act. Schedule IV of the Act ('Code for Independent Directors') stipulates detailed functions, duties and guidelines for professional conduct of Independent Directors. Further, Section 166 of the Act prescribes duties of Directors in general.

IDs may seek independent professional advice with the approval of the Chairman / Executive Director, at the Company's expense, on any matter connected with the discharge of their responsibilities as an Independent Director.

As per Section 149(12) of the Act and Regulation 25 of the Listing Regulations, an Independent Director shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently. Moreover, Regulation 25 of Listing Regulations prescribes the obligations of Independent Directors.

#### **6. Memberships on Board of other companies**

It is expected that IDs should not serve on the Boards of competing companies.

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

The Company maintains Directors and Officers Liability Insurance Policy ('D&O Policy').

#### **8. Remuneration**

Currently, the remuneration of IDs as approved by the members / Board is as follows:

##### **a) Commission:**

As a specified % of the net profits of the Company as may be approved by the Board and / or the shareholders of the Company, in accordance with the provisions of the applicable law.

##### **b) Sitting fees:**

IDs entitled to sitting fees of Rs. 20,000/- per Board Meeting and Rs. 15000/- per Committee Meetings.

##### **c) Out of pocket expenses:**

In addition to the above, IDs will also be entitled to the reimbursement of expenses that may be incurred for participation in the Board and other Committee meetings of the Company on actual basis.

#### **9. Performance Evaluation**

Performance of IDs shall be evaluated according to the provisions of the Act / Listing Agreement and as per the procedure to be formalised by the Board.

## **10. Compliance with various Codes of the Company**

During their continuation with the Company as a Director, all IDs are expected to conduct themselves in a professional manner and comply with the following:

- Code of Conduct for Directors and Senior Management;
- Code of Conduct for Prevention of Insider Trading;
- Whistle Blower Policy; and
- Any other code, mechanism, directive or policy that may be framed by the Company from time to time.

## **11. Disclosures**

IDs shall make all statutory disclosures / confirmations as required to be made under applicable laws including but not limited to:

- Annual / event based disclosures as per Act;
- Disclosures under the Listing Regulations;
- Disclosures under the Code of Conduct for Prevention of Insider Trading; and
- Disclosures under the Code of Conduct for Directors and Senior Management.

## **12. Confidentiality**

All information acquired and developed by IDs, directly or indirectly, during their association as a Director is confidential with respect to the Company, its affiliates, subsidiaries and group companies, whether written, oral or in any other form (including visit to offices, plants, laboratories or R&D offices), including without limitation, unpublished price sensitive information, operational & financial results, operational & financial projections, business & other plans, budgets, plans for acquisitions/takeovers/mergers/demergers/restructuring and similar corporate actions, plans to raise capital/debt, designs, photographs, drawings, specifications, operational, contractual, strategic know-how, procedures, product samples, compositions, presentations, analyses, studies, IPRs, maps, pending IPR applications, advertising and sales promotion plans, processes, commercial and trade secrets, technology, financial information, business deals, negotiations with outsiders, information concerning product differentiation, assays, formula, product positioning, strategic and market research information, other relevant marketing information, clinical data and other tangible and intangible information stated as confidential information (collectively called 'Confidential Information'). IDs will ensure not to share the said Confidential Information with third parties, either during their tenure as Director or thereafter without the written permission of the Board, save and except as may be required by law or any regulatory body.

If so requested by the Company, IDs will promptly destroy or cause to be destroyed, or return or cause to be returned to the Company, all Confidential Information received from any means, including all copies or duplicates of such Confidential Information, and all summaries, analyses, compilations, studies, notes, memos or other documents which contain or reflect any Confidential Information.

## **13. General**

The terms of appointment of IDs, are subject to the extant provisions of the Act, Listing Regulations, AOA and other applicable laws, if any.