

# ANDREW YULE & COMPANY LIMITED

## TERMS & CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

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### 1. Appointment

Part-time Non-official Independent Directors of the Company are appointed pursuant to the order of the Department of Heavy Industry (DHI), Ministry of Heavy Industries & Public Enterprises, Government of India for a period of 3 (three) years. As an Independent Directors, they will not be liable to retire by rotation.

### 2. Role, Duties and Responsibilities

The Independent Director shall always act in accordance with the Memorandum & Articles of Association of the Company and in furtherance of objects of the Company.

As member of the Board, the Independent Director along with the other Directors shall 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 SEBI (LODR) Regulations, 2015
- Accountability under the Director’s Responsibility Statement

The Independent Director shall abide by the ‘Code for Independent Directors’ as outlined in Schedule IV to Section 149(8) of the Act and duties of directors as provided in the Act (including Section 166) and in SEBI (LODR) Regulations, 2015 and any other Code of Conduct & Ethics, if any, framed by the Company.

They are particularly requested to provide guidance in their area of expertise.

### 3. Fiduciary position

Directors being Trustees of the stake holders of the Company shall discharge their responsibilities upholding their fiduciary responsibilities or duties, which in short are as under:

- To act within their powers, in good faith to promote the success of the Company.
- To exercise independent judgment, reasonable care, skill and diligence.
- To avoid conflict of interest.
- Not to accept benefits from third parties, which are attributable consequent to Independent directors, independent directorship of the Company.
- To declare interest in proposed transactions or arrangements.

### 4. 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.

## **5. Board Committees**

The Board has constituted various Board Level Committees as required under statutory regulations & guidelines and as required for the functioning of the Company. Certain committees require mandatorily having Independent Directors and members are required to function as per terms of reference of the respective Committees.

They shall strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member and to attend the General Meetings of the Company. They shall work as a team with other Board members in a spirit of cooperation.

## **6. Remuneration**

Independent Directors annual remuneration will be as under:

- Sitting fees for attending each meeting of the Board and its Committees as may be determined by the Board from time to time, and
- Independent Directors will be entitled to reimbursement of expenses incurred by Independent Directors in connection with attending the Board meetings, Board Committee meetings, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.
- Pursuant to applicable law, Independent Director will not be entitled to any stock options.

## **7. Training**

Independent Directors will be entitled to the benefit of a training program to familiarize themselves with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company operates its goals and expectations and long term plans and objectives.

## **8. Independence**

The Board of Directors of the Company inter alia has given due consideration to Independent Directors declaration of being qualified as 'independent' in accordance with the provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Independent Directors are expected to continue to be qualified as 'independent' during their tenure and provide periodic declaration to the effect as required by regulations. Independent Directors will be identified as 'Independent Director' in the annual report and other documents and publications of the Company. If circumstances change and Independent Director believe it may not be possible for Independent Director to retain their independence they should discuss this with the CMD as soon as practicable.

## **9. 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.

## **10. 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 after getting confirmation from DHI or the date, if any, specified by them in the notice, whichever is earlier.

Their directorship on the Board of the Company shall cease in accordance with law. The Company may, on receipt of communication from DHI, 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 code for independent directors,
- Upon the director failing to meet the criteria for independence as envisaged in Section 149(6) of the 2013 Act.

#### **11. Miscellaneous**

All information acquired during one's appointment as an Independent Director is confidential and should not be released, either during his/ her tenure as an Independent Director or thereafter, to third parties unless required by law or by any regulatory authority.