

Terms and conditions of appointment of the Independent Directors

Terms and conditions of appointment of the Independent Directors of the Company in accordance with the requirements of Schedule IV to the Companies Act, 2013 (the “Act”) and Regulation 46 (2) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Mrs. Kiran Kapur, Mrs. Sonya Jaiswal and Mrs. Asha Saxena are the Independent Directors of the Company.

Terms and Conditions of appointment of Independent Directors:

I. Term:

A. Mrs. Kiran Kapur (DIN 02491308)

The Appointment is for a term of 5 (five) consecutive years commencing from September 30, 2014 up to the conclusion of the 74th Annual General Meeting of the Company to be held in the Calendar Year 2019 (“Termination Date”). Unless the Appointment is renewed on or prior the Termination Date, she will cease to hold office as a director of the Company immediately after the Termination Date.

B. Mrs. Sonya Jaiswal (DIN 02626750)

The Appointment is for a term of 5 (five) consecutive years commencing from November 30, 2016 up to the conclusion of the 76th Annual General Meeting of the Company to be held in the Calendar Year 2021 (“Termination Date”). Unless the Appointment is renewed on or prior the Termination Date, she will cease to hold office as a director of the Company immediately after the Termination Date.

C. Mrs. Asha Saxena (DIN 08079652)

The Appointment is for a term of 5 (five) consecutive years commencing from March 15, 2018 up to March 14, 2023 subject to approval of the Members in their forthcoming Annual General Meeting.

II. Other Terms and Conditions

1. Committees:

- 1.1 During the Appointment, the Independent Director may be required to serve on one or more of the committees of the Board including Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility, Stakeholders Relationship Committee, Share Transfer Committee or any other Committee of the Board, as the Board may decide.
- 1.2 He / she is appointed as an independent non-executive director and will be identified as such in the annual report and other documentation of the Company. If circumstances change, and he/she believes that his/her independence will be in doubt, he/she should discuss the same with the Managing Director of the Company as soon as practicable.

2. Duties and Liabilities:

- 2.1 The Independent Director will perform the fiduciary duties in a responsible manner and his general legal responsibilities to the Company will be at par with a non-executive director.
- 2.2 The Independent Director shall act in accordance with the Articles of Association of the Company and while discharging his duties, comply with the requirements of Section 166 and Schedule IV of the Act.
- 2.3 The Independent Director will be held liable only in respect of such acts of omission or commission by the Company which have occurred with his knowledge, attributable through Board processes, and with his consent or where he has not acted diligently.

3. Code for Independent Directors:

- 3.1 The Company has relied on the declaration of the Independent Director that he/she meets the criteria of independence as provided in Section 149(6) of the Act as also in Regulation 16 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.2 The Independent Director will be required to abide by the guidelines as to professional conduct for Independent Directors as set out in Section 149(8) read with Schedule IV to the Act.
- 3.3 The Independent Director will be required to comply with applicable provisions of the code of conduct framed by the Board of Directors of the Company.

4. Restrictions:

- 4.1 During the term of Appointment, the Independent Directors are expected not to take up directorship in any company (whether in India or abroad) engaged in the same or similar businesses as that of the Company or in a Company, business or undertaking which competes or is likely to compete with the Company or which could otherwise potentially give rise to a conflict with his duties with the Company. In the event that the Independent Director becomes aware of any potential conflicts of interest, or in case of doubt, he should consult the Managing Director of the Company as soon as practicable.
- 4.2 During the term of Appointment, an Independent Director shall not serve as;
 - (a) an independent director in more than the prescribed number of listed companies, and
 - (b) a committee member of more than the prescribed number of committees (i.e. the Audit Committee and the Stakeholders' Relationship Committee) including chairmanship of such committees.
- 4.3 Directors are prohibited from dealing in the Company's securities during the period when the trading window is closed. They should not enter into insider trading and are expected to comply with the Company's code for securities dealing as well as with the concerned provisions of the Insider Trading Laws and Regulations.

5. Time Commitment:

By accepting the Appointment, the Independent Director confirms that he / she will be able to allocate sufficient time to perform his / her duties as a director and attend meetings of the Board or any committee thereof. In addition to such attendances, he / she will be expected to devote appropriate preparation time ahead of each meeting.

6. Training and Development:

- 6.1 The Independent Director will be invited to attend ongoing training and familiarization sessions for Directors including site visits.

6.2 The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

6.3 Periodic presentations are made at the Board and Board Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.

7. Evaluation Process:

The performance of independent directors shall be done by the entire Board, excluding the director being evaluated, on an annual basis.

8. Remuneration:

In consideration of the Independent Directors' services, the Company shall pay such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and /or approved by the Shareholders from time to time. He / she may also be paid remuneration by way of profit related commission, if any, as may be approved by the Board and the Shareholders from time to time.

In addition to the remuneration described, hereinabove, the Company may reimburse the Independent Director any expenses incurred by him / her on participation in the Board and its Committee meetings.

However, pursuant to applicable law, the Independent Director will not be entitled to any stock options.

9. Confidentiality:

The Independent Director agrees that both during and after the term of Appointment, he / she will not use for his / her own, or for another's benefit, or disclose or permit the disclosure of any confidential information relating to the Company, subsidiary or any group or associate companies of the Company, which he / she may acquire by virtue of his / her position as an independent director, including without limitation, any information about the deliberations of the Board without prior clearance from the Board unless required by law or by the rules of any stock exchange or regulatory body. The restriction shall cease to apply to any confidential information which may (other than by reason of the director's breach of this term), become available to the public generally.

10. Governing Law:

The Appointment and the terms are governed by the laws of India.

11. Relationship:

The appointment constitutes neither a contract for services nor a service contract. There will be no relationship of employer and employee as a consequence of appointment as a director of the Company.

For Jagatjit Industries Limited



K.K. Kohli
Senior Vice President & Company Secretary