

**GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LTD**

**PO : NARMADANAGAR - 392 015, DIST. BHARUCH, GUJARAT**

**CIN : L24110GJ1976PLC002903**

**TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS**

The terms of appointment of Independent Directors (IDs) are subject to the extant provisions of the Companies Act, 2013 (the Act), applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), as amended and the Articles of Association of the Company (AoA).

This letter of appointment sets out the Terms and Conditions covering Independent Directors (IDs) appointment, as follows:

**1.0 Terms of Appointment :**

- (a) You are appointed as NEID on the Board of the Company for a term of three consecutive years up to 7<sup>th</sup> March, 2025.
- (b) Your appointment is subject to the maximum permissible Directorships that one can hold as per the provisions of the Act and the Listing Regulations.
- (c) The term 'Independent Director' (ID) should be construed as defined under the Act and the Listing Regulations.
- (d) As a NEID, you will not be liable to retire by rotation as per the relevant provisions of the Act.

The Company is at liberty to disengage you as NEID prior to completion of your tenure of appointment, subject to compliance of relevant provisions of the Act and the Listing Regulations.

- (e) Notwithstanding other provisions of this letter, the appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or failure to meet the criteria of Independence as stipulated in Section 149 (6) of the Act and the Listing Regulations or on the occurrence of any event as provided in Section 167 of the Act.

## **2.0 Committees:**

The Board of Directors (the Board) may, if it deems fit, invite you for being appointed on one or more existing Committees of the Board or any such Committee that is set up in future. Your appointment on such Committee(s) will be subject to the applicable Regulations.

## **3.0 Time Commitment :**

- (a) As a NEID, you are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance and risk management as well as ensuring high standards of financial probity and Corporate Governance. The Board meets at least four times in a year. The Audit Committee also meets at least four times in a year. Besides, there are other Committee Meetings like Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee, Project Committee, Human Resource Development Committee, which are generally convened as per the requirement of the law and / or as and when required.

You will be expected to attend the Meetings of the Board of Directors and Committee(s) thereof to which you may be appointed and General Meetings of the Company and to devote such time to your duties, as appropriate for you to discharge duties effectively.

- (b) By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

## **4.0 Role and Duties:**

Your role and duties will be those normally required of a NEID under the Act and Listing Regulations. There are certain duties prescribed for all Directors, both Executives and Non-Executives, which are fiduciary in nature and are as under:

- i) You shall act in accordance with the Company's Articles of Association.
- ii) You shall 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 interest of the Company.
- iii) You shall discharge your duties with due and reasonable care, skill and diligence.
- iv) You shall not involve yourself in situation in which you may have a direct or indirect interest that conflict or possibly may conflict, with the interest of the Company.
- v) You shall not achieve or attempt to achieve any undue gain or advantage, directly or indirectly, either to yourself or to your Relatives, Partners or Associates.
- vi) You shall not assign your office as Director and any assignment so made shall be void.

**5.0 Status of Appointment:**

- (a) You will not be an Employee of the Company and this letter shall not constitute a contract of employment. You will be paid sitting fees for attending the Meetings of the Board of Directors and its Committees, as may be decided by the Board, from time to time.
- (b) Presently, sitting fees paid to the Directors is Rs.17,500/- (Rs. Seventeen Thousand Five Hundred) per Meeting of the Board of Directors and / or Committee's thereof.

**6.0 Reimbursement of Expenses:**

In addition to the payment of Sitting Fees, the Company will reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties. You will also be paid Rs.4,000/- (Rs. Four Thousand) per day as Incidental Expenses for attending Board and / or Committee Meeting(s).

## **7.0 Independent Professional Advice:**

There may be occasions when you consider that you need professional advice in furtherance of your duties as a Director and it will be appropriate for you to consult independent adviser(s) at the Company's expenses. The Company will reimburse the cost of expenditure incurred by you.

## **8.0 Conflict of Interest:**

- (a) You may be holding Directorship in other Company/ies or may have some business interest / appointment, etc. You are required to declare any such directorship(s), appointment(s) and interest(s) to the Board of Directors in writing at the time of your appointment.
- (b) Any other position you hold including your directorship in other Company/ies / organization(s), shall not give rise to any conflict of interest in relation to your appointment as a NEID of the Company. Should you become aware of any conflict or potential conflict during your appointment, you are expected to disclose the same to the Board of Directors and Company Secretary.

## **9.0 Code of Conduct:**

You are required to abide by the – (i) Code for Independent Directors contained in Schedule IV to the Act; (ii) Code of Conduct for Board of Directors; and (iii) Code of Conduct for Prevention of Insider Trading in the Securities of the Company.

## **10.0 Confidentiality:**

All the information acquired during your appointment as NEID is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means) to third party(ies) without prior clearance from the Board of Directors or Company Secretary unless required by law or by the Rules of any Stock Exchange or Regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

### **11.0 Liability:**

As a NEID you will be liable only in respect of such acts of omission or commission by the Company which had occurred with your knowledge, attributable through Board processes and with your consent or connivance or where you had not acted diligently.

### **12.0 Insurance:**

The Company has Directors' and Officers' Liability Insurance and it is intended that the Company will assume and maintain such cover for the full term of your appointment.

### **13.0 Evaluation:**

The Company will carry out an evaluation of the performance of the Board of Directors as a whole, Committees of the Board and individual Directors on an annual basis. Your appointment and re-appointment on the Board shall be subject to the outcome of yearly evaluation process.

### **14.0 Disclosure of Interest:**

The Company is required to include in its Annual Financial Statements 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 not later than when the transaction or arrangement comes up at a Board Meeting so that the Minutes may record your interest appropriately and Company's records are updated. A Notice of Disclosure in the prescribed form disclosing your interest or concern in the Companies, Bodies Corporate, Firms or other Association of Individuals is acceptable.

### **15.0 Termination:**

- (a) You may resign from your position as NEID at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board.
- (b) Continuation of your appointment is contingent on your getting re-appointed by the Shareholders in accordance with the provisions of the Act and the AoA

from time to time in force. You will not be entitled to compensation, if the Shareholders do not re-appoint you at any time.

- (c) Your appointment may also be terminated in accordance with the provisions of the Act and AoA from time to time in force.

**16.0 Governing Law:**

- (a) This Agreement is governed by and will be interpreted in accordance with the Indian law and your engagement shall be subject to the jurisdiction of the Indian Courts.
- (b) Kindly confirm your acceptance to the Terms set-out above by signing and returning the enclosed copy of this letter. In returning this letter duly signed, you agree that the Company may make this letter publicly available as required by law.

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