

**GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LIMITED**

**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).

The Terms and Conditions for appointment of Independent Directors (IDs) are as follows:

**1.0 Terms of Appointment :**

- (a) Appointment of NEID on the Board of the Company for a term of \_\_\_\_\_
- (b) Appointment OF NEID 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) NEID will not be liable to retire by rotation as per the relevant provisions of the Act.

The Company is at liberty to disengage NEID prior to completion of thier tenure of appointment, subject to compliance of relevant provisions ofthe 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 NEID for being appointed on one or more existing Committees of the Board or any such Committee that is set up in future. Appointment of NEID on such Committee(s) will be subject to the applicable Regulations.

## **3.0 Time Commitment :**

- (a) NEID is 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.

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

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

## **4.0 Role and Duties:**

Role and duties of NEID will be those which are normally required 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 areas under:

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

**5.0 Status of Appointment:**

- (a) NEID will not be an Employee of the Company and the appointment letter shall not constitute a contract of employment. NEID 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. \_\_\_\_\_ 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 NEID for travel, hotel and other incidental expenses incurred by them in the performance of their role and duties. NEID will also be paid Rs. \_\_\_\_\_ per day as Incidental Expenses for attending Board and / or Committee Meeting(s).

## **7.0 Independent Professional Advice:**

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

## **8.0 Conflict of Interest:**

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

## **9.0 Code of Conduct:**

NEID are required to adhere to the following:

1. Code for Independent Directors: As prescribed in Schedule IV of the Companies Act, 2013, outlining the roles, responsibilities, and professional conduct expected of Independent Directors.
2. Code of Conduct for Board of Directors: As adopted by the Company, which sets forth principles to ensure ethical and transparent governance practices at the Board level.
3. Code of Conduct for Prevention of Insider Trading: Applicable under the SEBI (Prohibition of Insider Trading) Regulations, 2015, and adopted by the Company to regulate, monitor, and report trading in securities to maintain market integrity.

## **10.0 Confidentiality:**

All the information acquired during the appointment of NEID is confidential to the Company and should not be released, either during their 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, NEID shall surrender any documents and other materials made available to them by the Company.

## **11.0 Liability:**

NEID will be liable only in respect of such acts of omission or commission by the Company which had occurred with their knowledge, attributable through Board processes and with their consent or connivance or where they 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 their 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. Appointment and re-appointment of NEID 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 NEID's interest appropriately and Company's records are updated. A Notice of Disclosure in the prescribed

form disclosing NEID's interest or concern in the Companies, Bodies Corporate, Firms or other Association of Individuals is acceptable.

**15.0 Termination:**

- (a) NEID may resign from their position at any time and should they wish to do so, they are requested to serve a reasonable written notice on the Board.
- (b) Continuation of their appointment is contingent on their getting re-appointed by the Shareholders in accordance with the provisions of the Act and the AoA from time to time in force. NEID will not be entitled to compensation, if the shareholders do not re-appoint them at any time.
- (c) Appointment of NEID 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.

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