

## **WONDER CEMENT LIMITED**

### **Terms and Conditions of Appointment of Independent Directors**

The terms and conditions for the appointment of the Independent Director(s) are subject to the extant provisions of the (i) Companies Act, 2013 ('**2013 Act**') and (ii) Articles of Association of the Company.

The broad terms and conditions of their appointments as Independent Directors of the Company are reproduced hereunder:

#### **1. Appointment**

- The appointment will be for a period not exceeding 5 years unless vacated and/or terminated earlier, as per provisions of the applicable laws. This tenure is subject to meeting the criteria for being an Independent Director and not being disqualified to be a Director under as per the provisions of the Companies Act, 2013 and other applicable statutes on a continuous basis.
- Independent Directors will be eligible to be re-appointed for a further period of 5 consecutive years, after the completion of their tenure of first 5 years, subject to Board approval and the passing of a Special Resolution by Shareholders.
- As Independent Directors, they will not be liable to retire by rotation.

The Board may invite any of the Independent Directors for being appointed on one or more existing Board Committees or any such committee that will be set up in the future. The appointment on such committee(s) will be subject to the applicable provisions of the Laws. The Board may reconstitute the composition of any/all the committees, from time to time, and any such change shall be promptly communicated to the concerned Independent Director.

#### **2. Duties and Responsibilities**

- As members of the Board, they along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:
  - i. Requirements under the Companies Act, 2013
  - ii. "Responsibilities of the Board" as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under Clause 49 of the Listing Agreement as and when the same may become applicable.
  - iii. Accountability under the Director's Responsibility Statement.

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- They shall continuously abide by the 'Code For Independent Directors' as outlined in Schedule IV to section 149(8) of the 2013 Act, and duties of Directors as provided in the 2013 Act (including Section 166) and in Clause 49 of the Listing Agreement as and when the same may become applicable.
- They are particularly requested to provide guidance in their respective area of expertise.

### **3. Role and Functions:**

The Independent Directors shall:

- Help in to bring an independent judgment on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- Bring an objective view in the evaluation of the performance of Board and management;
- Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- Satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- Safeguard the interests of all stakeholders, particularly the minority shareholders;
- Balance the conflicting interest of the stakeholders;
- Determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;

### **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. Remuneration**

- As Independent Directors, they shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members. The sitting fees for

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attending each meeting of the Board and its Committees would be as determined by the Board from time to time.

- In addition to the sitting fees, commission that may be determined by the Board may also be payable to them. In determining the amount of this commission, the Board supported by the Nomination and Remuneration Committee may consider performance of the Company and their performance as evaluated by the Board. Further, the Company may pay or reimburse to the Director such expenditure, as may have been actually incurred by them while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by them for accommodation, travel and any out of pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of their duties as Independent Directors.

### **6. Insurance**

The Company may consider availing an appropriate Directors' and Officers' Liability Insurance policy and pay the premiums for the same.

### **7. Training and Development**

- The Company may, if required, conduct formal training program for its Independent Directors.
- The Company may, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the company and its business.
- The Company will fund/arrange for training on all matters which are common to the whole Board.

### **8. Performance Appraisal / Evaluation Process**

As members of the Board, their performance as well as the performance of the entire Board and its Committees will be evaluated annually. Evaluation of each of the Independent Directors shall be done by all the other directors collectively. The criteria for evaluation shall be disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee.

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### **9. Disclosures, other directorships and business interests**

During the term, the Independent Directors agree to promptly notify the Company of any change in their directorships, and provide such other disclosures and information as maybe required under the applicable laws. They also agree that upon becoming aware of any potential conflict of interest with their position as Independent Directors of the Company, they shall promptly disclose the same to the Chairman and the Company Secretary. During their term, they agree to promptly provide a declaration under Section 149(7) of the 2013 Act, upon any change in circumstances which may affect their status as an Independent Director.

### **10. 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.

### **11. Restrictions:**

- 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, terms and conditions of appointment of the Independent Directors or in case of doubt, he should consult the Chairman of the Company as soon as practicable.
- 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.

### **12. 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 or the date, if any, specified by them in the notice, whichever is later.

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- Their directorship on the Board of the Company shall cease in accordance with law. The Company may remove Independent Directors prior to completion of Term (subject to compliance of relevant provisions of Section 169 and all other applicable sections of Companies Act, 2013) upon:
  - i. Violation of any provision of the Code of Conduct as applicable to Independent Directors as set out in Schedule IV of the Companies Act 2013.
  - ii. Upon the director failing to meet the criteria for independence as envisaged in Section 149(6) of the 2013 Act.
  - iii. Acting against the interest of the Company.