

BALAJI SPECIALITY CHEMICALS LIMITED

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS OF THE COMPANY IN ACCORDANCE WITH THE REQUIREMENTS OF SCHEDULE IV TO THE COMPANIES ACT, 2013 AND THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

Terms and conditions of appointment of Independent Directors:

I. Term:

Rajendrakumar Mohanprasad Tapadiya has been appointed as an Additional Independent Director in the board meeting held on May 9, 2018 and was subsequently regularized by the members in the General Meeting held on September 29, 2018. The Appointment is for a first term of 5 years commencing from September 29, 2018 up to September 28, 2023.

Mr. Kashinath Revappa Dhole has been appointed as an additional Independent Director in the board meeting held on April 14, 2016 and was subsequently regularized by the members at the General Meeting held on September 30, 2016. The Appointment is for a first term of 5 years commencing from September 29, 2018 up to September 28, 2023.

Mr. Amarender Reddy Minupuri has been appointed as an additional Independent Director in the board meeting held on April 18, 2022 and was subsequently regularized by the members at the General Meeting held on May 30, 2022. The Appointment is for a term of 5 Years commencing from April 18, 2022 up to April 17, 2027.

Dr. Suhasini Yatin Shah has been appointed as an additional Independent Director in the board meeting held on April 18, 2022 and was subsequently regularized by the members at the General Meeting held on May 30, 2022. The Appointment is for a term of 5 Years commencing from April 18, 2022 up to April 17, 2027.

In accordance with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), the terms and conditions of appointment of the Company's Independent Directors are reproduced hereunder:

Appointment

Their respective appointments will be up to the dates mentioned above (the Term).

As Independent Directors, they will not be liable to retire by rotation.

Reappointment of Independent Directors at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders. Reappointment would be considered based on the outcome of the performance evaluation process and independence criteria.

Other terms and conditions

1. Committees:

- During the Appointment, the Independent Director will be required to serve on one or more of the committees of the Board, i.e., Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee, Stakeholders' Relationship Committee or such other Committees, as the Board may decide.
- The Independent Director is 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, Independent Director should discuss the same with the Chairman of the Company as soon as practicable.

2. Duties and Liabilities

- The Independent Director will perform his/her duties in a responsible manner and his/her general legal responsibilities to the Company will be at par with a nonexecutive director.
- The Independent Director will be expected to perform general fiduciary duties and exercise the skill and care expected from every Director.
- The Independent Director shall abide by the 'Code for Independent Directors' as outlined in section 149(8) read with Schedule IV to the Companies Act, 2013 ("the Act") and duties of directors as provided in the Act (including Section 166) and SEBI LODR and other applicable laws.
- 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/her knowledge, attributable through Board processes, and with his/her consent or where Independent Director have not acted diligently.

3. Code for Independent Directors:

- 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 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
- 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.
- The Independent Director will be required to comply with applicable provisions of any code of conduct framed by the Board for all Board members and Senior Management of the Company under the Listing Regulations.
- Independent Director shall not participate in any business activity which might impede the application of their independent judgment in the best interest of the Company.
- Unless specifically authorised by the Company, Directors shall not disclose Company and business information to constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers.

The provisions of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct for Prevention of Insider Trading, prohibiting disclosure or use of unpublished price sensitive information, would be applicable to the Independent Directors.

- During the term of Appointment, an Independent Director shall not serve as (a) an independent director in more than the prescribed number of companies and (b) a committee member of more than the prescribed number of committees including chairmanship of such committees as per the limits set by the statute.

Disclosures, other directorships, and business interests

During their term, they agree to promptly notify the Company of any change in their directorships and provide such other disclosures and information as may be 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 Act, upon any change in circumstances which may affect their status as an Independent Director.

Time Commitment

Independent Directors are expected to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities.

Training and Development

- The Independent Director may be invited to attend ongoing training and familiarization sessions for Directors including site visits.
- 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.
- Periodic presentations are made at the Board and Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.

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 director shall be done by all the other directors. 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

Remuneration

In compliance with the provisions of the Companies Act, 2013 and the SEBI LODR, each Independent Directors of the Company shall be paid a total fee of 5000 per annum including commission and sitting fees. The sitting fees for each meeting are represented in a tabular manner below:

Particulars	Amount (in Rs.)
Board meeting	5000
Audit Committee	2500
Nomination and Remuneration Committee	2500
Other Committees	2500

On providing the requisite documentary evidence the Independent Directors would be provided with all reimbursement with respect to participating in such meeting and travel expenses of such Independent Director for attending such board meetings and Committee Meetings. All such reimbursement shall be subject to deduction of taxes.

Confidentiality

The Independent Director agrees that both during and after the term of Appointment, Independent Directors 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. 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. On reasonable request, the Independent Director shall surrender any document and other materials provided by the Company.

Insurance

The Company has Directors' and Officers' ("D&O") liability insurance and it is intended to maintain such cover for the full term of the Appointment. The Independent Director may obtain details of such insurance from the Company Secretary.

Governing Law

The Appointment and the terms are governed by the laws of India, and subject to jurisdiction of Courts in Solapur with respect to the claims and disputes that arises in connection with the appointment.

Disengagement

The Independent Director can resign from their position after giving reasonable notice to the Board. 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.

The directorship on the Board of the Company shall cease in accordance with law. The Company may disengage Independent Directors prior to completion of their term (subject to compliance of relevant provisions of the Act and SEBI LODR) upon:

- Violation of any provision of the Code of Conduct as applicable to NEDs.
- Upon the director failing to meet the criteria for independence as envisaged in the Act or the SEBI LODR.

Publication of the Terms of Appointment

In line with the provisions of Schedule IV to the Act and the SEBI LODR, the letter of appointment of independent Director will be open for inspection by any member and the Company will also post the terms and conditions of the appointment on the Company's website www.balajispecialitychemicals.com.
