

## Terms of Appointment of Non-Executive Independent Directors

As per the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreements with Stock Exchanges ("Listing Agreement"), followings are the terms of appointment of Independent Directors of the Company.

### 1. Term of Appointment

- 1.1 Appointment of independent directors will be for a term of 5 (five) consecutive years. The tenure is subject to meeting the criteria for being independent director and not being disqualified to continue to be a director under the applicable laws, rules, regulations and the Listing Agreement.
- 1.2 The provisions for retirement by rotation at the annual general meetings of the Company shall not apply to them.

### 2. Disqualifications

- 2.1 Section 164 of the Companies Act, 2013 provides that a person is not eligible for appointment as a director of a company if he suffers from any of the disqualifications specified in the said section.
- 2.2 Independent Directors should ensure that they do not attract any of the disqualifications as specified in section 164 of the Companies Act, 2013. In case they attract any disqualifications, they shall forthwith inform in writing to the Chairman about the same

### 3. Role on the Board

Independent Directors are expected to provide expertise and experience inter alia in the fields of strategy planning, business planning and development, risk management and other matters brought before the Board/its Committees. They are expected to invest their time for preparatory work and travel, and ensure that they are in a position to make the necessary overall time commitment and positive contribution for the deliberations at the meetings of the Board/its Committees.



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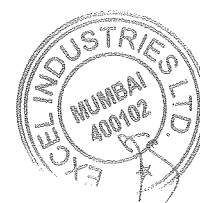
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## 4. Duties and Liabilities

- 4.1 Duties and liabilities as independent director shall be governed by the applicable laws, rules, regulations, the Listing Agreement, Company's policy and the Articles of Association of the Company.
- 4.2 The laws that currently govern the duties and liabilities of an independent director are contained in the Companies Act, 2013 (including Rules thereunder) and the Listing Agreement, some of which are specifically outlined below:
- a) Section 166 of the Companies Act, 2013, which lays down the duties of the Directors, including independent director;
  - b) Clause 49 of the Listing Agreement as applicable to independent directors;
  - c) The Code for Independent Directors as contained in Schedule IV to the Companies Act, 2013;
  - d) Independent Directors are required to make disclosure of their interest as per the requirements of Section 184 of the Companies Act, 2013 and not participate in the discussion in a meeting on business in which they are interested.
- 4.3 Independent Directors will be held liable only in respect of such acts of omission or commission by the Company which have occurred with their knowledge, attributable through Board processes, and with their consent or connivance or where they have not acted diligently.
- 4.4 Independent Directors shall not serve as independent director in more than seven listed companies. If they are a whole-time director in any listed company, they may serve as independent director in not more than three listed companies.

## 5. Code of Conduct and Ethics

- 5.1 Independent Directors will follow the Company's Code of Conduct and Ethics and furnish an annual affirmation of the same.
- 5.2 Independent Directors will apply the highest standards of confidentiality, and not disclose to any person (whether during the course of the tenure as Independent Director or at any time after its cessation), any confidential information concerning the Company or any person which may come to their knowledge/into their possession



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by virtue of their position as a Director, except as required or permitted by law or with prior clearance from the Chairman.

## 6. Prohibition on Insider Trading/Forward Dealings

Independent Directors shall follow the Company's Code of Conduct for Prevention of Insider Trading and the requirements under the Companies Act, 2013 and SEBI Regulations.

## 7. Remuneration and Reimbursement of Expenses

7.1 Independent Directors will be entitled to sitting fee for attending the meetings of the Board or Committees thereof either personally or through video conference or other visual means as may be decided by the Board of Directors. The fee payment shall be subject to applicable tax deduction at source. Currently, the sitting fees are as follows:

Sr. No.	Particulars	Sitting Fees per Meeting (Amt in Rs)
1.	Board of Directors Meeting	20,000
2.	Audit Committee of Directors Meeting	20,000
3.	Nomination and Remuneration Committee of Directors Meeting	20,000
4.	Stakeholders Relationship Committee of Directors Meeting	10,000
5.	Corporate Social Responsibility Committee of Directors Meeting	10,000

7.2 Independent Directors will be also entitled to remuneration by way of commission, as approved by the Board of Directors, within the overall limits approved by the shareholders and subject to the applicable legal provisions. The commission payment shall be subject to applicable tax deducton at source.

7.3 Independent Directors will be entitled to reimbursement of expenses incurred by them for participation in the Board, Committee and members' meetings.

7.4 As provided in Section 149 (9) of the Companies Act, 2013, Independent Directors will not be entitled to any stock option which may be offered by the Company.



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## 8. General

- 8.1 All the terms as mentioned above including appointment, remuneration, professional conduct, role and functions, duties and evaluation of Independent Directors shall be governed by the Companies Act, 2013 and Rules made thereunder and Corporate Governance requirements under the Listing Agreement, as amended from time to time.
- 8.2 Non-contractual obligations arising out of or in connection with appointment of Independent Directors will be governed by and shall be construed in accordance with the laws of India and the provision of Listing Agreement and subject to the exclusive jurisdiction of the Courts of India.

For **EXCEL INDUSTRIES LIMITED**



**S. K. SINGHVI**  
Company Secretary