



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

Appointment of each Independent Director shall be made subject to compliance of provisions of Companies Act, 2013 read with rules thereunder, Schedule IV and Provisions of SEBI (LODR) Regulations, 2015, with Stock Exchange.

### **1. Appointment**

**1.1.** Independent Directors shall be appointment subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 read with Rules thereunder and SEBI (LODR) Regulations, 2015.

**1.2.** The term Independent Director should be construed as defined under the Companies Act, 2013 read with Rules thereunder and SEBI (LODR) Regulations, 2015.

**1.3.** The Company has adopted the provisions with respect to appointment and tenure of Independent Directors consistent with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company.

The Company is at liberty to disengage Non Executive Independent Director earlier subject to compliance of relevant provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

### **2. Committees**

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

### **3. Time Commitment**

As a Non-Executive Director Independent Directors 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. You will be expected to attend Board, Board Committees to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively. Ordinarily, all meetings are held in Jaipur.

### **4. Role and Duties**

Independent Directors role and duties will be those normally required of a Non- Executive Independent Director under the Companies Act, 2013 read with Rules thereunder and SEBI (LODR) Regulations, 2015. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:



I. He/She 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.

II. He/She shall discharge your duties with due and reasonable care, skill and diligence.

III. He/She shall not achieve or attempt to achieve any undue gain or advantage either to his/her self or to their relatives, partners or associates.

IV. He/She shall not assign his/her office as Director and any assignments so made shall be void.

## **5. Status of Appointment**

**5.1.** Independent Directors will not be an employee of the Company and this letter shall not constitute a contract of employment. He/She shall be paid such remuneration by way of setting fees for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time.

**5.2.** The sitting fees presently paid to the Non-Executive Independent Director is Rs. 1000/- per meeting of the Board or a Committee thereof.

## **6. Conflict of Interest**

**6.1.** It is accepted and acknowledged that Independent Directors may have business interests other than those of the Company. As a condition to your appointment commencing, he/she are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of his/her appointment.

**6.2.** In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgment that you are independent, this should be disclosed to both the Chairman and the Secretary.

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## **7. Confidentiality**

**7.1.** All information acquired during Independent Director's appointment is confidential to Company and should not be released, either during his/her appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, Independent Directors shall surrender any documents and other materials made available to him/her by Company.



**7.2.** Independent Directors attention is also drawn to the requirements under the applicable regulations and the Company's Code of Conduct which concern the disclosure of price sensitive information and dealing in the securities of RMC Switchgears Limited. Consequently he/she should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Secretary.

### **8. Disclosure of Interest**

The Company must include in its Annual Accounts 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 no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

### **9. Termination**

**9.1.** Independent Directors may resign from his/her position at any time and should wish to do so, he/she are requested to serve a reasonable written notice on the Board.

**9.2.** Continuation of Independent Directors appointment is contingent on his/her getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. He/she will not be entitled to compensation if the shareholders do not re-elect you at any time.

**9.3.** Independent Directors appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

### **10. Governing Law**

This agreement is governed by and will be interpreted in accordance with Indian law and Independent Directors engagement shall be subject to the jurisdiction of the Indian courts.

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