



TERM AND CONDITION OF APPOINTMENT OF INDEPENDENT DIRECTORS

The terms and Conditions of the appointment, which shall, in any event be subject to the provisions of the Companies Act, 2013 and the Articles of Association of the Company are set out below. The broad terms and conditions of their appointment as Independent Directors are reproduced hereunder:

Terms of Appointment

1. The appointment will be for the period mentioned against their respective names of the Independent Director ("Term"). The Company may remove Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the Companies Act 2013 and Articles of Association of the Company.
2. In compliance with provision Section 149(13) of the Companies Act, 2013, Independent Directors are not liable to retire by rotation.
3. Re-appointment 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. The re-appointment would be considered by the Board based on the outcome of the performance evaluation process and the directors continuing to meet the independence criteria.
4. The directors may be requested to be a member / Chairman of any one or more Committees of the Board which may be constituted from time to time.
5. The appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in Section 149(6) or on the occurrence of any event as defined in section 167 of the Companies Act, 2013. Upon termination or upon resignation for any reason, duly intimated to the Company, Independent Directors will not be entitled to any compensation for loss of office.

Resignation

Independent Directors 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. In terms of provisions of the Companies Act, 2013, they are required to file a copy of their resignation letter with the Registrar of Companies.

Role, duties and responsibilities

As a member of the Board, your roles, responsibilities and duties will be as mentioned in below stated provisions of the law and code of conduct (including any modification and/or amendment thereof) -

- Duties as prescribed under Section 166 of the Companies Act, 2013;
- Accountability under Directors' Responsibility Statement as mentioned under Section 134(5) of the Companies Act, 2013;
- Responsibilities as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Code of Conduct as prescribed under Schedule IV of the Companies Act, 2013;

Ester Industries Limited

(CIN: L24111UR1985PLC015063)

Corporate Office: Block-A, Plot No. 11, Infocity-I, Sector-34, Gurgaon – 122001, Haryana, India

Phone: +91 124-2656100, 4572100 Fax: +91 124-4572199, 2656199 E-Mail: Info@ester.in Website: www.esterindustries.com

Regd. Office & Works: Sohan Nagar, P.O. Charubeta, Khatima – 262308, Distt. Udham Singh Nagar, Uttarakhand

Phone: EPABX No. (05943) 250153-57 Fax No.: (05943) 250158



- Code of Conduct applicable to all Board Members and Senior Management as prescribed under Listing Regulations; and
- Code of Conduct to Regulate, Monitor and Report Trading by Insiders.

Liability:

As an independent director you will be liable only in respect of such acts of omission or commission by a company which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you had not acted diligently.

Remuneration and Reimbursement

You will be paid such remuneration by way of sitting fee for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time. Further, you will also be paid remuneration by way of commission as may be approved by the Board and the Shareholders from time to time.

The sitting fee presently paid to the Non-Executive Independent Director is Rs. 10,000/- per meeting of the Board or a Committee thereof.

In addition to the remuneration described above, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

Time Commitment

It is difficult for the company to lay down specific parameters on time commitment. You agree to devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as an Independent Director.

Evaluation Process

In accordance with the requirements of the Listing Regulations, the performance of the Independent Director will be evaluated by the entire Board (excluding the director being evaluated). The criteria of evaluation shall be determined by the Nomination and Remuneration Committee and shall be disclosed in the Annual Report. However actual evaluation process shall be confidential. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Disclosures

During the term, you have to notify the Company of any change in your directorship/membership on the Board/Committee of other Companies and to provide such disclosures as may be required to provide under the applicable laws. You also have to notify the Company about any potential conflict of interest with your position as Independent Director of the Company.

D&O Insurance:

The Company has Directors' and Officers' liability insurance and the Company will assume and maintain such cover for the full term of your appointment.

**Separate Meeting:**

You shall hold at least one meeting of the Independent directors in a financial year without the attendance of non-independent directors and members of management.

Confidentiality

1. All information acquired during appointment is confidential to the Company and shall not be released, either during appointment or following termination (by whatever means) to third parties without prior clearance from the Company 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 them by the Company.
2. The obligation of confidentiality shall survive cessation of their respective directorship with the company. Publication of the letter of appointment in line with provisions of Clause IV(6) of Schedule IV to the Companies Act, 2013, the Company will make public the terms and conditions of appointment of Independent Directors and will also arrange for it to be displayed on the Company's website.

Governing Law:

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

If you are willing to accept these terms of appointment relating to your appointment as a non-executive Independent Director of the Company, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.