

BALRAMPUR CHINI MILLS LIMITED

Terms and conditions of appointment as Non-executive Independent Directors

The terms and conditions of appointment of the Independent Directors of the Company in accordance with the requirements of the provisions of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement:

Period of appointment

The period of appointment of Independent Director for each term would not exceed five years. However, period of appointment of an Additional Director in the independent category is for the period from the date of appointment as such till the date of conclusion of the next Annual General Meeting of the company. The tenure is subject to fulfillment of the criteria for being an Independent Director and not being disqualified under the said Act read with applicable rules & regulations.

Role on the Board

The Independent Director are expected to provide their expertise and experience, inter alia, in the fields of strategic planning, management, financial management including internal control and corporate governance including Board's best practices, in the functioning of the Board and the Committees of the Board in which they are nominated. They should allow time to attend board & committee meetings, preparatory work and travel and ensure to make overall time commitment.

The Independent Director may be nominated on one or more committees of the Board and in such event they will be provided with the terms of reference and any specific responsibilities.

Duties and Liabilities

The duties and responsibilities would be as per the applicable laws, Company's policies and Articles of Association of the Company.

The law governing duties and responsibilities of an Independent Director are the Companies Act, 2013, and the Listing Agreement with the stock exchanges. A Code for Independent Directors is prescribed under Schedule IV of the said Act. Further, Clause 49 of the Listing Agreement dealing with the corporate governance framework would also be applicable.

The Independent Director are required to make disclosure of interest as per Section 184 as well as declaration of independence as per section 149 of the said Act and should not participate in the meeting on any contract or arrangement in which the concerned director is interested.

The Independent Director shall give their consent by advance notice to the Chairman or Company Secretary to participate in any Board or Committee meeting through Video conferencing or other audio visual means, except for the matter not to be so dealt under the said Act.

Code of Conduct and Independence

The Independent Director are expected to continue to be qualified as independent during their tenure as prescribed under the said Act and the Listing Agreement.

The Independent Director will follow the companies Code of Conduct and furnish Annual Affirmation of the same. The Independent Director will follow the highest standards of confidentiality, and not disclose to any person any confidential information, except as permitted by law or with prior clearance from the chairman or company Secretary.

The Independent Director will follow the Company’s code of internal procedure and conduct and code of corporate disclosure practices as envisaged under the SEBI (Prohibition of Insider Trading) Regulations 1992 as well as insider trading provisions contained in the said Act, which, inter alia requires that price sensitive information is not used or transmitted and maintained securely.

Remuneration

The Independent Director will be entitled to remuneration in accordance with the criteria, as approved by the Board on the recommendation by the Nomination and Remuneration Committee, within the overall limit approved by the shareholders and under the applicable legal provision. The Independent Director will also be entitled to sitting fee for attending Board or Committee Meetings as decided by the Board.

In addition to the above the Independent Director will be entitled to reimbursement of all expenses for participation in the meetings of the Company.

The performance evaluation of Independent Director shall be done by the Board in accordance with the applicable provisions. You may participate in reviewing the performance of the other directors and the Board as a whole and other independent director’s as per applicable provisions.

The directors would be covered/ indemnified under the Directors and Officers liability insurance policy taken by the Company.

General

All the terms as mentioned above in respect of Independent Director including appointment, remuneration, professional conduct, role and functions, duties and evaluation shall be governed under the provisions of Companies Act, 2013 and Rules made thereunder and the Corporate Governance requirements under the Listing Agreement.

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