

PERFECTPAC LIMITED

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TERMS AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTORS

1. Appointment & Tenure

In accordance with the provisions of the Companies Act, 2013 and Rules made there under, the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and other applicable laws, the appointment of Independent directors will be effective upto 5 years from the date of their appointment. Independent Director will not be liable to retire by rotation and appointment is subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.

In terms of the Act, Independent Director may be eligible to serve as an Independent Director for another term of up to 5 years, subject to the recommendation of the Nomination and Remuneration Committee and passing of special resolution by the shareholders of the Company.

2. Board Committees

The Board has constituted various Committees of Directors, with adequate delegation of powers. Subject to the applicable regulations and as advised by the Board, Independent Directors may be required to serve on one or more Committees of the Board established by the Company.

Currently, the Board has three committees: Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee.

3. Time Commitment

Adequate Time commitment is anticipated from IDs involving attendance at all Board meetings, Committee meetings in which Independent Director is a member and the General Meetings of the Company.

Independent Directors are required to hold at least one separate meeting without the attendance of Non- Independent Directors and members of management. All IDs shall strive to be present at such meeting.

4. Familiarisation Programme for Independent Directors

Every new Independent Director attends an orientation program. Presentations are made by the Executive Directors / Senior Managerial Personnel. The presentations cover an overview of nature of the industry in which the Company operates Company's strategy, organization structure, business model, operations, functions and risk management. Further, periodic presentations are also made on business of the Company and applicable laws.

5. Functions, Duties and Liabilities

All IDs shall act in accordance with the Articles of Association of the Company and subject to the provisions of this Act. Detailed Functions, Duties, Liabilities and guidelines for professional conduct of IDs are given in **Annexure-I**.

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7. Performance Evaluation

The performance of Independent Directors shall be evaluated annually according to the provisions of the Act/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

8. Independent Directors shall adhere to Code for Independent Directors prescribed in Schedule IV of the Act, 2013.

9. Compliance with various Codes of the Company

Independent Directors would comply with the following Codes/Policies of the Company (including modifications therein, from time to time) including but not limited to:

- Code of Conduct for Directors and Senior Management;
- Code of Conduct for Prevention of Insider Trading;
- Any other code, mechanism, directive or policy that may be framed by the Company from time to time.

The Company has also enforced a Whistle Blower Policy, to provide opportunity to Directors and employees to raise concern about the serious irregularities, if any, within the Company.

10. Remuneration

Currently, no remuneration will be payable to IDs.

11. Disclosures

Independent Directors shall make all statutory disclosures/confirmations required to be made under applicable laws including but not limited to:

- Annual / Event based disclosures as per Companies Act, 2013.
- Disclosures under Listing Agreements with the Stock Exchanges
- Disclosure under Code for Prevention of Insider Trading
- Disclosures under Code for Directors and Senior Management

Role & Functions, Duties, Liabilities and Professional conduct of Independent Directors ("ID")

I. Role and Functions:

The Independent Directors shall:

- (a) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (b) bring an objective view in the evaluation of the performance of board and management;
- (c) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (d) satisfy himself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (e) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (f) balance the conflicting interest of the stakeholders;
- (g) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and has a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (h) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

II. Duties

- (1) An ID 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 interests of the Company, its employees, the shareholders, the community and for the protection of environment;
- (2) An ID shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (3) An ID shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- (4) An ID shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company.
- (5) An ID shall not assign his office and any assignment so made shall be void.
- (6) An ID is also expected to:-
 - (a) undertake appropriate induction and regularly update and refresh his skills, knowledge and familiarity with the Company;

(b) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;

(c) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;

(d) participate constructively and actively in the committees of the Board in which he is chairpersons or members;

(e) strive to attend the general meetings of the Company;

(f) ensure that where he has concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that his concerns are recorded in the minutes of the Board meeting;

(g) keep himself well informed about the Company and the external environment in which it operates;

(h) not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

(i) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure himself that the same are in the interest of the Company;

(j) ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;

(k) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;

(l) act within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;

(m) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

III. LIABILITIES

An ID may be liable to penalty, if he contravenes the provisions relating to duties of Directors prescribed under Section 166 of the Companies Act, 2013.

As per provisions of the Companies Act, 2013, An ID shall be held liable, only in respect of such acts of omission or commission by the Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

IV. PROFESSIONAL CONDUCT

An ID is expected to:-

(a) uphold ethical standards of integrity and probity;

(b) act objectively and constructively while exercising his duties;

(c) exercise his responsibilities in a bona fide manner in the interest of the Company;

(d) devote sufficient time and attention to his professional obligations for informed and balanced decision making;

(e) not allow any extraneous considerations that may vitiate his exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;

(f) not abuse position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;

(g) refrain from any action that could lead to a loss of his independence;

(h) ensure that where circumstances arise which make him lose his independence, he must immediately inform the Board accordingly;

(i) assist the Company in implementing the best corporate governance practices.