

The Terms and Conditions of Appointment of Independent Directors of MOHINDRA FASTENERS LIMITED

(Pursuant to Clause 49 (II)(B)(4)(b) of the Listing Agreement)

PREAMBLE:

Schedule IV to the Companies Act, 2013 provides for the 'Code for Independent Directors'. The appointment process of Independent Directors is independent of the company management. During the selection process, the Board ensures that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

The appointment of Independent Director(s) of the Company is approved at the meeting of the shareholders. The Board always ensures that the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and that proposed director is independent of the management and a statement to that effect is included in the explanatory statement attached to the notice of the meeting.

THE TERMS AND CONDITIONS FOR THE APPOINTMENT OF INDEPENDENT DIRECTOR(S) ARE ENUMERATED BELOW:

The terms and conditions of appointment of Independent Directors of Mohindra Fasteners Limited (herein after called as "MFL" or "the Company") are subject to the applicable provisions of the Companies Act, 2013 ("the Act") and Clause 49 of the Listing Agreement, as amended from time to time, the Articles of Association of the Company, MFL's Code of Business Conduct and Ethics, Code of Conduct for Members of the Board and Senior Management and its Code of Conduct for Prevention of Insider Trading. The following are the details of Independent Directors of the Company.

Sr. No.	Name of Independent Director	Director Identification Number	Tenure		
			From		
1.	Vinod Kumar	02303504	25TH September, 2014		24TH September, 2019
2.	Anjali Malik	06875087	25TH September, 2014		24TH September, 2019

APPOINTMENT:

- The appointment is for a term of 5 (five) years commencing from the date of appointment and ending ('Termination Date') on 6th Annual General Meeting of the Company following the date of appointment and shall not be liable to retire by rotation. Unless the appointment is renewed on or prior to the Termination Date, the appointment shall come to an end on the Termination Date.
- Notwithstanding the other provisions of the terms and conditions of the appointment of the Independent Director, the appointment may be terminated with or without cause at any time by the Company with immediate effect, in accordance with the Companies Act, 2013 and Rule and Regulations made thereunder and the Company's Articles of Association or, as applicable,

or upon the resignation of the Independent Director, or the Board of Directors (excluding the concerned Independent Director) is of opinion that the continued appointment is not in the interest of the Company. Upon such termination or resignation of the appointment for any reason, the Independent Director shall not be entitled to any damages for loss of office and no fee will be payable in respect of any unexpired portion of the term of the appointment or any damages whatsoever. Upon such termination or resignation, the Independent Director will have to undertake to sign all appropriate paperwork that the Company may require.

COMMITTEE MEMBERSHIP:

During the term of the appointment, the Independent Director may be asked to serve on one or more of the existing Board Committees including Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee or such committee of the Board of the Directors from time to time or any such Committee that is set up in the future and copies of the terms of Reference for each of those committees will be provided to him/her. Appointment on such Committee(s) will be subject to the applicable laws.

FIDUCIARY POSITION:

Directors are being trustees of the stakeholders of the Company shall discharge their responsibilities upholding their fiduciary responsibilities or duties and also as specified under section 166 of the Companies Act, 2013.

TIME COMMITMENT

By accepting the appointment, the Independent Director confirms that he/she is able to allocate sufficient time to perform his/her role as an Independent Director of the Company.

In terms of the Companies Act, 2013, he/she will have to attend at least one Board Meeting during every Financial Year in-person. Also, he will strive to attend the Board / its committees' calls whenever scheduled as per the best convenience of all the attendees.

ROLE AND RESPONSIBILITY

- As an Independent Director, he/she will be bound by the Code for Independent Directors as mentioned under Schedule IV to the Companies Act, 2013.
- As an Independent Director, he/she has the same general legal responsibilities to the Company as any other Director(s) having including all fiduciary duties, responsibilities, statutory obligations and liabilities of directors prescribed in law including the Companies Act, 2013.
- The Board as such is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. The brief description of the terms of reference of the Board of Directors are as follows:
 - To manage and direct the business and affairs of the Company;
 - To manage, subject to the Articles of Association of the Company, its own affairs, including planning its composition, selecting its Chairman, appointing Committees, establishing the terms of reference and duties of Committees and determining Directors' compensation, if any;
 - To act honestly and in good faith in the best interests and objects of the Company, its employees, its shareholders, the community and for protection of environment;

- To exercise due care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and shall also exercise independent judgment;
 - To participate directly or through its Committees, in developing and approving the mission of the business, its objectives and goals and the strategy for their achievement;
 - To ensure congruence between shareholders' expectations, Company's goals, objectives and management performance;
 - To monitor the Company's progress towards its goals and to revise and alter its direction in light of changing circumstances;
 - To approve and monitor compliance with all significant policies and procedures by which the Company is operated;
 - To ensure that the Company operates at all times within applicable laws and regulations and ethical and moral standards;
 - To ensure that the performance of the Company is adequately reported to shareholders, other stakeholders and regulators on a timely and regular basis;
 - To ensure that the audited annual financial statements are reported fairly and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India;
 - To ensure that any developments that have a significant and material impact on the Company are reported from time to time to the concerned authorities;
 - Not to involve in a situation which may have a direct or indirect interest that conflicts, or possibly may conflict with the interest of the Company;
 - Not to 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;
 - Not to assign his office and any assignment so made shall be void; and
 - To act in accordance with the laws and regulations of the country and the Memorandum and Articles of Association of the Company.
- In addition to the above responsibilities, the role of the Independent Directors shall also have the following key elements:
 - Strategy and Business Development: The Independent Director should constructively challenge and contribute to the overall strategy and to the business development initiatives of the Company by getting actively engaged with the Company in making introductions to potential clients in the key service areas of the Company;
 - Performance: The Independent Director should scrutinize the performance of management in meeting, agreed goals and objectives and monitor the reporting of performance; and
 - Risk: The Independent Director should satisfy himself that financial information is accurate and that financial controls and systems of risk management are robust and defensible.

INDEPENDENCE, OTHER OBLIGATIONS AND COMPLIANCES:

- The Board of Directors of the Company, inter-alia, has given due consideration to declaration by an Independent Director of being qualified as 'independent' in accordance with the provisions of Companies Act, 2013 and the Listing Agreement with the Stock Exchange. Independent Directors are expected to continue to be qualified as 'independent' during their tenure and provide periodic declaration to the effect as required by regulations. Independent Director will be identified as an 'Independent Director' in the annual report and other documents and publications of the Company. If circumstances change, and the Independent Director believes

that his/her independence may be in doubt, he/she should discuss this with the Chief Executive Officer of the Company as soon as possible.

The Independent Director will be required to execute / confirm with respect to the following documentation or codes on a periodic basis or otherwise as applicable:

- Confirmation that he/she is not disqualified to act as a Director of the Company in terms of the Companies Act, 2013
- Declaration of Independence in terms of the Companies Act, 2013
- Disclosures under the Company Code for Prevention of Insider Trading
- Code of Business Conduct and Ethics
- Code of Conduct for Members of the Board and Senior Management Code.
- Code of Conduct for Independent Directors as per Schedule IV of the Companies Act, 2013
- Disclosure of change in interest in companies where he/she is appointed / ceased as a Director or Key Managerial Personnel
- Confirmation that his/her directorships in companies do not conflict with the interest of the Company.

REMUNERATION AND REIMBURSEMENT OF EXPENSES:

- Independent Directors will be paid sitting fees for attending Board/ Committee meetings as may be fixed by the Board of Directors subject to the provisions of the Companies Act, 2013, from time to time. Presently, the sitting fee per meeting of the Board/Committee Meetings is Rs. 5,000/- per Meeting.
- In addition the Company will reimburse all reasonable and properly documented expenses such as travelling / out of pocket expenses, which you incur in performing your role as an Independent Director of the Company.
- Presently, no remuneration is to be paid to any Independent Director and Non-Executive Director, but if to be paid in future, then be paid as per the applicable laws.
- If the term comes to an end or due to resignation or termination; any amounts due shall be paid on a pro-rata basis.

OTHER DIRECTORSHIPS AND BUSINESS INTERESTS

- The Company acknowledges that Independent Director may have business interests in other companies. In the event when he/she becomes aware of any potential conflicts of interests, these should be disclosed to the Chief Executive Officer and Company Secretary as soon as they become apparent.
- During the appointment, he/she should consult with the Chief Executive Officer prior to accepting any such other (or further) directorships of Indian companies or any major external appointments which may affect his interest in the Company.

CODE OF CONDUCT

During the tenure of the appointment, the Independent Director will be bound by the Company Code of conduct for Directors and such other codes of conduct under applicable laws including the Companies Act, 2013 and the Securities and Exchange Board of India Act, 1992, Listing Agreement and any amendment(s) thereof and any other applicable laws, regulations, acts, provisions etc, if any.

CONFIDENTIALITY AND NON-DISCLOSURE

- The Independent Director must apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the appointment or at any time after its termination) any confidential information concerning the Company and any Group Company with which he/she comes into contact by virtue of his/her position as an Independent Director of the Company.
- Any information concerning the Company's business, its customers, suppliers, etc. which is not in public domain and to which all employees do not have access, should be considered confidential for the purpose and should be held in confidence, unless authorised to do so and when disclosure is required as a requirement of law.
- The attention is drawn to the requirements under Indian regulations as to the disclosure of price sensitive information. The Independent Director shall not provide any information either formally or informally, to the press or any other publicity media without prior written clearance from the Chief Executive officer or Company Secretary.
- The examples of confidential information are, but not limited to the following:
 - Business plan, annual operations plan.
 - Software developed / under development.
 - Technical information about software and computer systems.
 - Performance against target.
 - Costing, pricing, profitability, financial budget and related issues.
 - Fees / stipend, evaluations, recommendations etc. related to any of the employees of the Company.
 - Sales commission, third party commission and about reference agents.
 - Details of past, present and future contracts and proposals.
 - Information about suppliers and/or customers.
 - Communication facilities and equipment.
 - Proposed ventures and corporate plans.
 - Technical marketing and financial strategies of the Company and/or its customers.
 - Core competencies and activities of the Company and/or its customers.
 - Any other information, which is likely to be crucial for the business operations or in the nature of unpublished price sensitive information.
- On termination of the Appointment, the Independent Director will deliver to the Company all books, documents, papers, and other property of or relating to business of the company or any Group Company, if any which are in their possession, custody or power by virtue of their position as an Independent Director of the Company.
- If there is a breach or threatened breach of the provisions of Confidentiality, the Company shall be entitled to injunctive relief.

LIABILITY

An Independent Director will be liable only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board process, and with his/her consent or connivance or where he/she had not acted diligently.

REVIEW PROCESS

The performance of individual Directors and the whole Board and its committees is evaluated annually. The Independent Director will have to make himself/herself available for carrying out the annual / periodic performance review of himself/herself and the Board committees where he is a part thereof for review purpose. Independent Director has to further confirm that he/she will extend his contribution to review of the Board of Directors individually as well as for its various committees on behalf of / as desired by the Board of Directors on an annual / periodic time frame. The actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committees.

If, in the interim, there are any matters which cause an Independent Director concern about his role, he/she can discuss them with the Chief Executive Officer as soon as it is appropriate.

PUBLICATION OF THE LETTER OF APPOINTMENT:

As required under the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company will disclose, terms and conditions of this letter, on its website www.mohindra.asia and the same shall be open for inspection at the registered office of the Company by any member during normal office hours.

The Letter of Appointment constitutes neither a contract for services nor a service contract.

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END OF THIS POLICY | MOHINDRA FASTENERS LIMITED