

**TERMS AND CONDITIONS OF APPOINTMENT OF  
INDEPENDENT DIRECTORS**  
**[Pursuant to the provisions of Schedule IV to the Companies Act, 2013]**

**1. Appointment:**

Pursuant to section 149(6) of companies Act, 2013, and other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) the appointment of the Independent Directors will be for a period of five years commencing from the respective date of their appointment by the Board, subject to the approval of the Members at the subsequent Annual General Meeting. The Company may reappoint the Independent Directors for a consecutive second term of five years on passing of a special resolution and disclosure of such appointment shall be made in the Board's report.

Pursuant to section 149 (11) read with sub clause (10) of companies act, 2013, Independent Directors will not be further eligible for appointment until, expiration of three years of cessation have elapsed.

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 Members. The re-appointment would be considered based on the outcome of the performance evaluation process and the Independent Director continuing to meet the independence criteria.

They shall abide by the 'Code For Independent Directors' as outlined in Schedule IV to Section 149(8) of the 2013 Act, and duties of directors as provided in the 2013 Act (including but not limited to Section 166)

In compliance with provisions of section 149(13) of the Act, your directorship is not subject to retirement by rotation.

Upon termination or upon your resignation for any reason, duly intimated to the Company, you will not be entitled to any compensation for loss of office.

**2. ROLE:**

In addition to the role specified under Schedule IV of the Act, you are expected to bring an independent Judgement to the Board's discussions especially on the issues of strategy, performance, risk management and standards of conduct.

**3. Duties:**

You will adhere to the below mentioned duties as specified under Section 166 of the Act in addition to the duties mandated under Schedule IV of the Act:

3.1. You shall act in accordance with the Company's Articles of Association of the Company, as may be amended from time to time.

3.2. You 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, its employees, shareholders, and the community and for the protection of environment.

3.3. You shall discharge your duties with due and reasonable care, skill and diligence and shall exercise independent Judgement.

3.4. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.

3.5. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates and if found guilty of making any undue gain, you shall be liable to pay an amount equal to the gain if the Company.

3.6. You shall not assign your office as Director and any assignments so made shall be void.

#### **4. Induction on Board Committees:**

Based on the skill/expertise of the independent directors, the Board may induct an independent director on various Board level Committees as Member or to chair such Committees. The following are the Board level Committees comprising majority of independent directors: 1. Audit Committee 2. Remuneration & Nomination Committee and 3. Corporate Social Responsibility Committee applicable to the Company.

#### **5. Restrictions:**

Save and except, Directorships currently held by the Independent Directors, during the term of Appointment, the Independent Directors are expected not to take up directorship in any company engaged in the same or similar businesses as that of the Company or in a company, business or undertaking of which competes or is likely to compete with the Company or which could otherwise potentially give rise to a conflict with his/her duties with the Company.

#### **6. Changes of personal details:**

During the Term, they shall promptly intimate the Company Secretary and the Ministry of Corporate Affairs in the prescribed manner, of any change in address or other contact and personal details provided to the Company

#### **7. Time Commitment:**

By accepting the appointment, the Independent Directors confirms that he/she will be able to allocate sufficient time to perform his/her duties as a director and attend meetings of the Board or any committee thereof. In addition to such attendances, Independent Director will be expected to devote appropriate preparation time ahead of each meeting.

#### **8. Training and Development:**

The Independent Director will be invited to attend ongoing training and familiarization sessions for Directors including site visits

#### **9. Evaluation Process:**

The performance of individual directors shall be evaluated by the entire Board, excluding the director being evaluated, on an annual basis.

#### **10. Remuneration:**

In consideration of the Independent Directors' services, the Company will pay fees as under:

10.1. Rs.1,00,000 or such other amount as permitted for attending each meeting of the Board or any committee thereof or any other meeting of Directors;

#### **11. Confidentiality:**

The Independent Director agrees that both during and after the term of Appointment, Independent Directors will not use for his/her own, or for another's benefit, or disclose or permit the disclosure of any confidential information relating to the Company, subsidiary or any group or associate companies of the Company, which he/she may acquire by virtue of his/her position as an independent director, including without limitation, any information about the deliberations of the Board. The restriction shall cease to apply to any confidential information which may (other than by reason of the director's breach of this term), become available to the public generally.

#### **12. Insurance:**

The Company has Directors' and Officers' ("D&O") liability insurance and it is intended to maintain such cover for the full term of the Appointment.

It is intended to maintain such insurance cover for the Term of their appointment, subject to the terms of such policy in force from time to time

#### **13. Indemnity:**

The directors are granted an indemnity from the Company in respect of liabilities incurred as a result of their office, to the extent permitted by law.

#### **Governing Law:**

The Appointment and the terms are governed by the laws of India, and subject to jurisdiction of Courts in Betul.

**By Betul Oil Limited  
Whole Time Director**

*Encl: Schedule IV of Companies Act, 2013 (Code for Independent Directors)*

**SCHEDULE IV**  
**[See Section 149(8)]**  
**CODE FOR INDEPENDENT DIRECTORS**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

**I. GUIDELINES OF PROFESSIONAL CONDUCT:**

An independent director shall:

- 1) uphold ethical standards of integrity and probity;
- 2) act objectively and constructively while exercising his duties;
- 3) exercise his responsibilities in a bona fide manner in the interest of the company;
- 4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 5) not allow any extraneous considerations that will 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;
- 6) not abuse his 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;
- 7) refrain from any action that would lead to loss of his independence;
- 8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- 9) assist the company in implementing the best corporate governance practices.

**II. ROLE AND FUNCTIONS:**

The independent directors shall:

- 1) 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;
- 2) bring an objective view in the evaluation of the performance of board and management;
- 3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- 5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- 6) balance the conflicting interest of the stakeholders;
- 7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- 8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

### **III. DUTIES:**

The independent directors shall—

- 1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 2) 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;
- 3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- 4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 5) strive to attend the general meetings of the company;
- 6) where they have 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 their concerns are recorded in the minutes of the Board meeting;
- 7) keep themselves well informed about the company and the external environment in which it operates;
- 8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- 10) 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;
- 11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- 12) act within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 13) 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.

### **IV. MANNER OF APPOINTMENT:**

- 1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure 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.
- 2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- 3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- 4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
  - a) the term of appointment;
  - b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - c) the fiduciary duties that come with such an appointment along with accompanying

- liabilities;
  - d) provision for Directors and Officers (D and O) insurance, if any;
  - e) the Code of Business Ethics that the company expects its directors and employees to follow;
  - f) the list of actions that a director should not do while functioning as such in the company; and
  - g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- 5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- 6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

#### **V. RE-APPOINTMENT:**

The re-appointment of independent director shall be on the basis of report of performance evaluation.

#### **VI. RESIGNATION OR REMOVAL:**

- 1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- 2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.
- 3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

#### **VII. SEPARATE MEETINGS:**

- 1) The independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management;
- 2) All the independent directors of the company shall strive to be present at such meeting;
- 3) The meeting shall:
  - a) review the performance of non-independent directors and the Board as a whole;
  - b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
  - c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **VIII. EVALUATION MECHANISM:**

- 1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- 2) 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.