

PATEL CHEM SPECIALITIES LIMITED

TERMS & CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTORS

The terms and conditions of appointment of the Independent Directors are subject to the extant provisions of the (i) applicable laws, including the Companies Act, 2013 (“Act”) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and (ii) Articles of Association of the Company.

The broad terms and conditions of appointment of Independent Directors are reproduced hereunder:

1. Appointment

The appointment as an Independent Director shall be subject to the adherence to the Independence criteria as per the provisions of the Act and Listing Regulations.

The appointment will commence from their effective date of appointment for the period of 5 years or the Director attaining the age of 75 years, whichever is earlier (“Term”). The Company may disengage Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the Act.

As Independent Directors, they will not be liable to retire by rotation.

2. Role, duties and responsibilities

- A. As members of the Board, they along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:
- Requirements under the Act,
 - “Responsibilities of the Board” as outlined in the Corporate Governance requirements as prescribed under the SEBI Listing Regulations, and
 - Accountability under the Director’s Responsibility Statement.
- B. They shall abide by the “Code for Independent Directors” as outlined in Schedule IV to Section 149(8) of the Act, and duties of directors as provided in the Act (including
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Section 166) and the SEBI Listing Regulations.

C. They are particularly requested to provide guidance in their area of expertise.

3. Time Commitment

They agree to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as an Independent Director.

4. Remuneration

As Independent Directors, they shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board as approved by the Nomination and Remuneration Committee from time to time.

5. Code of Conduct

As Independent Directors of the Company, they agree to comply with the Code of Conduct for Non-Executive Directors (“NEDs”).

Unless specifically authorised by the Company, they shall not disclose the Company and business information to constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers.

Their obligation of confidentiality shall survive cessation of their respective directorships with the Company.

The provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, prohibiting disclosure or use of unpublished price sensitive information, would be applicable to the Independent Directors.

Additionally, they shall not participate in any business activity which might impede the application of their independent judgment in the best interest of the Company.

All Directors are required to sign a confirmation of acceptance of the Code of Conduct for NEDs as adopted by the Board on an annual basis.

6. Training and Development

The Company may, if required, conduct formal training program for its Independent Directors. The Company may, as may be required, support Directors to continually update

their skills and knowledge and improve their familiarity with the company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

7. Disclosures, other directorships and business interests

During the Term, they agree to promptly notify the Company of any change in their directorships, and provide such other disclosures and information as may be required under the applicable laws. They also agree that upon becoming aware of any potential conflict of interest with their position as Independent Directors of the Company, they shall promptly disclose the same to the Chairman and the Company Secretary.

During their Term, they agree to promptly provide a declaration under Section 149(7) of the Act, upon any change in circumstances which may affect their status as an Independent Director.

8. Changes of personal details

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

9. Disengagement

They may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by them in the notice, whichever is later.

Their directorship on the Board of the Company shall cease in accordance with law. The Company may disengage Independent Directors prior to completion of Term (subject to compliance of relevant provisions of the Act) upon:

- violation of any provision of the Code of Conduct as applicable to NEDs, or
- Upon the director failing to meet the criteria for independence as envisaged in Section 149(6) of the Act or the SEBI Listing Regulations.
