

Terms and conditions of appointment of independent directors

As per the requirements of the Companies Act, 2013, the appointment shall be formalized through a letter of appointment by setting out the terms of the Appointment. The Appointment shall be a contract for service and not a contract of employment. The broad terms and Conditions of appointment of Independent Directors are as follows:

1. Appointment

The appointment of Independent Director will be for a period of five years. Independent Director can be re-appointed for a further period of five years on passing of a special resolution and disclosing the same in Board's Report. No Independent Director shall be appointed for more than two consecutive terms of five years; however such Independent Director shall be eligible for appointment after expiration of three years of ceasing him to be Independent Director. Reappointment 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 shareholders. The reappointment would be considered by the Board based on the outcome of the performance evaluation process and the directors continuing to meet the independence criteria.

Independent Directors will not be liable to retire by rotation

2. Role on the Board

The Independent Directors are expected to provide their expertise and experience inter alia in the field of management, science, research and corporate governance, in the functioning of the Board and the committees of the Board where they may be nominated. In addition to routine Board meetings they should allow time for committee meetings, preparatory work and travel, and ensure that they are in a position to make the necessary overall time commitment.

The Independent Director(s) may be nominated on one or more committees of the Board and in such event they will be provided with the relevant Committee's terms of reference and any specific responsibilities. The Independent Director(s) may further be nominated to/ required to serve on any Sub-Committee of the Board and/or to accept additional appointments in or on behalf of the Company where the best practice requires the presence of an independent, nonexecutive Director.

3. Duties and Liabilities

The duties and liabilities that come with such appointment would be as per the applicable laws and Articles of Association of the Company.

The laws that currently govern the duties and liabilities of an Independent Director are the Companies Act, 2013 (including Rules there under) and the Listing Agreement with the Stock Exchanges, some of which are specifically outlined below.

The Independent Director will follow “the Code for Independent Director” as per Schedule IV of the Companies Act, 2013,” “Pagaria Energy Limited Code of Business Conduct.”

It may please be noted that Regulation 17 to 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance are applicable from 01/12/2015.

The Independent Director(s) are required to make disclosure of their interest as per the requirements of Section 184 of the Companies Act, 2013 and not participate in the meeting of the Board where any contract or arrangement in which they are interested is discussed.

In case the Independent Directors so desire, Company would provide support to help them to familiarize themselves with the relevant duties and obligations.

The Independent Director will be expected to perform their general fiduciary duties and exercise the skill and care expected of every Director. They do not have the authority to commit the Company in any way, nor should they make any statements on the Company’s behalf or concerning the Company to the media, financial institutions or anyone associated to the stock market or investor community without the express authorization from the Board.

The Independent Director will be held liable, only in respect of such acts or omission or Commission by a company which has occurred with their knowledge, attributable through Board process and with their consent or connivance or where they have not acted diligently.

4. Performance Appraisal / Evaluation Process

As members of the Board, their performance as well as the performance of the entire Board and its Committees will be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be disclosed in the Company’s Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee.

5. 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 2013 Act) upon failing to meet the criteria for independence as envisaged in Section 149(6) of the 2013 Act.