

TERMS AND CONDITIONS OF APPOINTMENT AS AN INDEPENDENT DIRECTOR

A. Preliminary

1. You shall submit a declaration in the beginning of every financial year under Section 149 (7) of the Act during your tenure stating that you meet the criteria of independence. You shall promptly intimate to the Board of Directors if you are not in a position to meet any of the criteria for continuing as an Independent Director.
2. So long as you are an Independent Director of the Company, the number of companies in which you can hold office as a director or as a member or the chairman of the committee shall not exceed the prescribed limit stipulated under the Act and the Listing Regulations, 2015.
3. So long as you are an Independent Director of the Company, you will ensure that you do not get disqualified to act as a director pursuant to the provisions of Section 164 of the Act.
4. You will ensure compliance with other provisions of the Act and the Listing Regulations, 2015 as applicable to you as an Independent Director.

B. Term of your appointment:

Five (5) consecutive years effective from 1st October, 2019 as approved by the shareholders of the Company at its 59th Annual General Meeting held on 8th May, 2019 subject to the provisions of Section 149 of the Act.

C. Guidelines of professional conduct, Role, Function and Duties as an Independent Director

The role, functions and duties of the Independent Directors shall be in accordance with the provisions of Schedule IV (Code for Independent Directors) to the Act, which inter alia includes:

Guidelines for Professional conduct:

1. Uphold ethical standards of integrity and probity;
2. Act objectively and constructively while exercising the duties;
3. Exercise the responsibilities in a bona fide manner in the interest of the Company;
4. Devote sufficient time and attention to the professional obligations for informed and balanced decision making;
5. Not do anything that will influence the exercise of your objective independent judgment in the paramount interest of the Company as a whole;
6. Not abuse the 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 your independence;
8. Where circumstances arise which make you lose your independence, you shall immediately inform the Board accordingly;
9. Assist the Company in implementing the best corporate governance practices.

Role and functions:

1. Assist 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 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 on the integrity of financial information and also satisfy that the financial controls and systems of risk management are robust and defensible.
5. Safeguard the interests of all stakeholders, particularly the minority shareholders.
6. Balance the conflicting interests 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 shareholders' interest.

Duties:

1. Undertake appropriate induction and regularly update and refresh the 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 including a separate meeting of the Independent Directors and of the Board committees of which you are a member.
4. Participate constructively and actively in the committees of the Board in which you are a chairperson or a member.
5. Strive to attend the general meetings of the Company.
6. Where you 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 your concerns are recorded in the minutes of the Board meeting.
7. Keep yourself 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 yourself 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. Acting within your 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 or any other inside information of clients which have been deliberated at the board/committee meeting, unless such disclosure is expressly approved by the Board or required by law.

D. Fiduciary duties:

As an Independent Director, you have certain fiduciary duties towards the stakeholders of the Company. The particulars of your fiduciary duties and liabilities in accordance with the provisions of the Act are given below:

1. You shall act in accordance with the Articles of Association of the Company.
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 interests of the Company, its employees, the community and for the protection of environment.
3. You shall exercise your duties with due and reasonable care, skill and diligence and also exercise independent judgment.
4. You shall not be involved in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.
5. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates.
6. You shall not assign your office and any assignment so made shall be void.

E. Code of Business Ethics:

The Company has laid down a Code of Conduct ("Code") for the Board Members and Senior Management Personnel. The Code impresses upon Directors and Senior Management Personnel to uphold the interests of the Company and fulfill their fiduciary obligations. The Code further enjoins the Directors and Senior Management Personnel to act in accordance with the highest standards of honesty, integrity, fairness and good faith and due diligence in performing their duties.

Copy of the said Code is circulated from time to time and the same is available in the website of the Company at www.ksbindia.co.in.

F. Familiarisation Programme:

Independent Directors are required to get familiarized with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company/Group operates its goals and expectations and long term plans and objectives.

G. Performance Evaluation:

Your performance evaluation as Independent Director shall be done by the entire Board of Directors (excluding yourself). Your reappointment or extension of term, if any, shall be on the basis of the report of performance evaluation by the Board of Directors.

H. Actions not to be done while discharging your functions:

You should restrain yourself from doing actions as specified under the Act that should not be performed by you as an Independent Director while discharging your functions as such in the Company.

I. Insurance

The Company will take an appropriate Directors' and Officers' Liability Insurance policy and pay the premiums for the same. 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

J. Miscellaneous:

You will have access to confidential information, whether or not the information is marked or designated as "confidential" or "proprietary", relating to the Company and its business including legal, financial, technical, commercial, marketing and business related records, data, documents, reports, etc., client information, intellectual property rights (including trade secrets), ("**Confidential Information**").

You shall use reasonable efforts to keep confidential and to not disclose to any third party, such Confidential Information.

If any Confidential Information is required to be disclosed by you in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure should be, to the extent possible, with the prior consent of the Board.

The terms and conditions as enumerated above are subject to any changes or modifications as may be prescribed by the Company or under any law, for the time being in force.