

BHARAT EXPLOSIVES LIMITED

Terms and Conditions of Appointment of Independent Directors

1. Terms of Appointment:

- The term of appointment of an Independent Director (ID) of the Company will be 5 consecutive years from the date of his/ her appointment.
- Appointment of every independent director shall be approved by members' of the Company.
- Independent Director(s) is not liable to retire by rotation.
- Independent Director(s) will be eligible for re-appointment for another term of 5 consecutive years, after the completion of their tenure of first 5 years, subject to Board approval, and the passing of a Special Resolution by Members.

2. Roles and Duties:

The roles and duties of the Independent Director will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are inter-alia as under:

- He/ she shall act in accordance with the Company's Memorandum of Association and Articles of Association.
- He/ she shall act in good faith in order to promote the objects of the Company for the benefit of the members of the Company as a whole, and in the best interest of the Company.
- He/ she shall discharge duties with due and reasonable care, skill and diligence.
- He/ She shall not involve in a situation in which he/ she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- He/ She shall not achieve or attempt to achieve any undue gain or advantage either to himself/ herself or his/ her relatives, partners or associates.
- He/ She Shall comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities.
- Independent Directors shall also be taking sufficient care to perform duties specified in the Code for Independent Directors under Schedule IV of the Companies Act, 2013.

3. Status of Appointment/Remuneration

- The Independent Director will not be an employee of the Company and the appointment letter shall not constitute a contract of employment. The Directors will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and / or as approved by the Members from time to time.
- The ID will be entitled to claim reimbursement of all his/ her expenses incurred by him/ her in performance of duties as director of the Company, as per the provisions of the Act 2013.

4. Conflict of Interest

- It is accepted and acknowledged that the appointed IDs may have business interests other than those of the Company. Considering the same, they are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of their appointment.
- In the event that circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgments that they are independent, this should be disclosed to the Board.

5. Confidentiality

- All information acquired during the appointment is confidential to the Company and should not be released, either during the appointment or following termination (by whatever means) to third parties without prior clearance from the Managing director unless required by law or regulatory body.
- Unless specifically authorized by the Company, the Independent Director shall not disclose Company and business information to public constituencies such as the media, the financial community, employees, members, agents, franchises, dealers, distributors and importers.

6. Termination

- Independent Directors may resign from their position at any time and if they wish to do so, they are requested to serve a reasonable written notice on the Board.
- Continuation of their appointment is contingent on getting re-elected by the members in accordance with provisions of Companies Act, 2013, the Rules framed thereunder and the Articles of Association of the Company, from time to time in force. They will not be entitled to compensation if the members do not re-elect them at any time.
- Their appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company and other applicable laws from time to time in force.

7. Performance evaluation of Independent Directors

- The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- The re-appointment of independent director shall be on the basis of previous performance.

8. Miscellaneous

- Independent Directors shall give an annual declaration as required under the provision of section 149(7) of the Companies Act, 2013 and the rules made thereunder.
- In line with provisions of Schedule IV of the Companies Act, 2013 and other applicable laws, the Company will make public the terms and conditions of your appointment and will also arrange for it to be displayed on the Company's website.
- Subject to applicable law, ID would be liable for such acts of omission or commission by the Company which had occurred with his/her knowledge, attributable through Board processes, and with his/her consent or connivance, or where ID has not acted diligently.
