

Dembla Valves Limited

The terms and conditions of Appointment of Independent Directors

TERM:

As may be agreed between Company and Candidate. But in no case, exceeding 5 years at a time.

APPOINTMENT:

1. The appointment as a Non-Executive Independent Director on the Board of Directors of the Company is subject to the provisions of the Companies Act, 2013.
2. In compliance with provisions of section 149(13) of the Companies Act, 2013, directorship is not subject to retirement by rotation.
3. The appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in section 149(6) or on the occurrence of any event as defined in section 167 of the Companies Act, 2013.
4. Upon termination or upon resignation for any reason, duly intimated to the Company, the incumbent will not be entitled to any compensation for loss of office.

TIME COMMITMENT:

As a Non-Executive Independent Director incumbent is expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance.

The Board generally meets four to six times a year. The Audit Committee generally meets at least once in a year. Besides, there are other Committees of the Board like Nomination and Remuneration Committee and Corporate Social Responsibility Committee, meetings of which are ordinarily convened as per requirements. Incumbent will be expected to attend Board and Board Committee meetings to which they may be appointed and Shareholders meetings and to devote such time to their duties, as appropriate for them to discharge their duties effectively. Ordinarily, all meetings are held at the registered office of the Company.

As per the provisions of the Companies Act, 2013 being an Independent Director, incumbent is expected to meet other Independent Directors separately at least once a year to discuss overall performance of executive directors and company as a whole.

ROLE AND DUTIES:

1. There are certain duties prescribed for all Directors, which are fiduciary in nature and are as under:
 - I. incumbent shall act in accordance with the Company's Articles of Association as may be amended from time to time.

- II. Incumbent 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.
- III. Incumbent shall discharge their duties with due and reasonable care, skill and diligence.
- IV. Incumbent shall not involve themselves in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- V. Incumbent shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates during the term.
- VI. Incumbent shall not assign his office as Director and any assignments so made shall be void.

In addition to the above requirements the Board of Directors also expect Incumbent to perform the following functions:

- I. Incumbent should constructively challenge and help develop proposals on strategy for growth of the Company.
- II. Incumbent should evaluate the performance of Management in meeting agreed goals and objectives.
- III. Incumbent should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are effective and defensible.
- IV. Incumbent is responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing and where necessary, removing Executive Directors and in succession planning.
- V. Incumbent will take responsibility for the processes for accurately reporting on performance and the financial position of the Company.
- VI. Incumbent should keep governance and compliance with the applicable legislation and regulations under review and the conformity of Company's practices to accepted norms.

STATUS OF APPOINTMENT:

Incumbent shall not be an employee of the Company. They 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.

In conformity with the Act, Incumbent will not be entitled to any bonus during the appointment and no entitlement to participate in any employee stock option scheme operated by the Company.

CONFLICT OF INTEREST:

It is accepted and acknowledged that Incumbent may have business interests other than those of the Company. As a condition to their appointment, Incumbent is 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 judgement that Incumbent's independence, this should be disclosed to both the Chairman and the Company Secretary.

DISCLOSURE OF INTEREST:

Any material interest that Incumbent may have in any transaction or arrangement that the Company has entered into should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record their interest appropriately. A general notice that Incumbent is interested in any contract with a particular person, firm or company is acceptable.

CODE OF CONDUCT:

During the appointment Incumbent is required to comply with regulations as contained in Schedule IV under Companies Act, 2013, including the Code of Conduct.

CONFIDENTIALITY:

All information acquired during Incumbent's appointment is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any regulatory body. On reasonable request, they shall surrender any documents and other materials made available to them by the Company.

MEMBERSHIP OF COMMITTEES:

The Board of Directors may appoint Incumbent as Member / Chairman of one or more of its Committees which will be covered in a separate communication setting out the relevant committee's terms of reference and any specific responsibilities.

TERMINATION:

Incumbent may resign from his/her position at any time and should they wish to do so, they are requested to serve a reasonable written notice to the Board. In terms of provisions of the Companies Act, 2013, they are required to file a copy of their resignation letter with the Registrar of Companies, Mumbai.

Their appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company for the time being in force.