

POCL

PONDY OXIDES AND CHEMICALS LIMITED

**TERMS AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT
DIRECTORS**

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The terms and conditions for appointment of Independent Directors of Pondy Oxides and Chemicals Limited (“Company”), is subject to the provisions of the (i) applicable laws, including 2013 Act (as amended from time to time) and (ii) Articles of Association of the Company (“AOA”).

1. Appointment

The term of Appointment (“**Term**”) of the Independent Directors will be for a period of 5 (five) years, unless a lesser period is specified by the Shareholders in the resolution.

The Independent Directors shall not be liable to retire by rotation.

Re-appointment for another term of maximum period of five years at the end of the current term shall be subject to the approval of the Board and the shareholders. The re-appointment would be considered by the Board based on the outcome of the performance evaluation process and continuance to meet the independence criteria.

The Board also has powers to appoint the Independent Directors as the Chairman/member of various Board Committees from time to time.

2. Role, duties and responsibilities

A. As member of the Board, the independent Directors along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the Companies Act, 2013,
- Responsibilities of the Board as outlined in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as and when applicable
- Accountability under the Directors’ Responsibility Statement,
- Overseeing the Company’s contribution to enhancing the quality of life of communities,

B. The independent Directors shall abide by the ‘Code for Independent Directors’ as outlined in Schedule IV to section 149(8) of the 2013 Act, and duties of directors as provided in the 2013 Act (including Section 166) and other applicable laws from time to time.

3. Time Commitment

Considering the nature of the role of a director, it is difficult for a company to lay down specific parameters on time commitment. The independent Directors shall agree to devote such time as is prudent and necessary for the proper performance of role, duties and responsibilities as an Independent Director.

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4. Remuneration

Sitting fees shall be paid for the Independent Directors for attending the meetings of the Board and the Committees of which they are a member and the sitting fees shall be fixed by the Board from time to time.

In addition to the sitting fees, profit related commission may also be payable. In determining the amount of this commission, the Board or its Committee may consider various factors as disclosed in the remuneration policy forming part of the Board's report.

Further, the Company may pay or reimburse such fair and reasonable expenditure, as may have been incurred while performing the role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by for attending Board / Committee meetings, Annual General Meetings, Extraordinary General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to prior consultation with the Board, professional advice from independent advisors in the furtherance of duties as an Independent Director.

5. Insurance

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

6. Company's Code of Conduct

- Independent Director of the Company shall comply with the POCL Code of Conduct.
- They shall always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and his/ her role therein
- They 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
- They shall safeguard the confidentiality of all information received by them by virtue of their position.

Unless specifically authorised by the Company, the Independent Directors shall not disclose company and business information to public constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers. The Independent Director's obligation of confidentiality shall survive termination or cessation of directorship with the Company.

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

7. Induction and Development

The Company shall, if required, conduct formal induction program for its Independent Directors which may include any or all of the following:

- Board roles and responsibilities, whilst seeking to build working relationship among the Board members,
- Company's vision, strategic direction, core values, ethics and corporate governance practices,
- Familiarization with financial matters, management team and business operations, Meetings with stakeholders, visits to business locations and meetings with senior and middle management.

The Company shall, 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.

8. Performance Appraisal / Evaluation Process

As a member of the Board, the Independent Directors performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee and 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. An indicative list of factors that may be evaluated as part of this exercise is:

- Participation and contribution by a director,
- Commitment (including guidance provided to senior management outside of Board/ Committee meetings),
- Effective deployment of knowledge and expertise, Effective management of relationship with stakeholders, Integrity and maintenance of confidentiality, Independence of behavior and judgment, and
- Impact and influence.

9. Disclosures, other directorships and business interests

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

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During the term, the Independent Directors agree to promptly provide a declaration under Section 149(7) of the 2013 Act, every year and upon any change in circumstances within 20 days which may affect status as an Independent Director.

10. Changes of personal details

During the term, the Independent Directors 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.

11. Termination

The Independent Director's directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the 2013 Act, the directorship may be terminated for violation of any provision of the POCL Code of Conduct.

The Independent Directors may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation and also to Registrar of Companies (ROC). The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by in the notice, whichever is later.

If at any stage during the Term, there is a change that may affect status as an Independent Director as envisaged in Section 149(6) of the 2013 Act or, if applicable and the Independent Directors fail to meet the criteria for "independence" under the provisions of Companies Act/ SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, they shall promptly submit resignation to the Company with effect from the date of such change.

12. Co-operation

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission during the Term, the Independent Directors shall render all reasonable assistance and co-operation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.
