



Terms and Conditions of Appointment of Independent Directors of Roto Pumps Limited

[Pursuant to the provisions of Schedule IV to the Companies Act, 2013]

The broad terms and conditions of appointment of Independent Directors are reproduced hereunder:

A. Terms of Appointment

- The appointment of an Independent Director can be made subject to the compliance of the Companies Act, 2013 (“Act”) and rules made thereunder, provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), and any other circulars and/or guidelines issued by the Ministry of Corporate Affairs and SEBI from time to time in this regard.
- The Independent Director shall satisfy the criteria specified under section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations.
- The Independent Director shall submit a declaration to the Company at the beginning of every Financial Year or whenever there is change in circumstances which may affect their status as an Independent Director under Section 149 (7) of the Act and Regulation 25(8) of the SEBI Listing Regulations stating that they meet the criteria of Independence, as provided under Section 149 of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations, and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.
- So long as the Director is an Independent Director of the Company, the number of companies in which they can hold office as a Director, or a chairman or committee member shall not exceed the limit stipulated under the Act and SEBI Listing Regulations.
- So long as they are an Independent Director of the Company, they will ensure that they do not get disqualified to act as a Director under Section 164 of the Act or debarred from holding office of director by virtue of order of SEBI or by any such other authority.
- The Independent Director shall not be liable to retire by rotation.
- The Independent Director shall hold office up to a period of such years as may be approved by the Board/Shareholders, as applicable, or such other period as may be prescribed by the Companies Act, 2013 and SEBI Listing Regulations, 2015.
- The Independent Director shall be eligible for re-appointment, subject to approval of members of the Company pursuant to provisions of the Act.
- The Independent Director shall ensure compliance with the provisions of the Companies Act, 2013, SEBI Listing Regulations, 2015 and notifications/circulars/guidelines issued as may be applicable.

B. Committees

Independent Director may be appointed as a member of the Committees of the Board as and when decided by the Board. Their responsibilities as a member of the committees, when appointed shall be as per the respective committee's role, functions & responsibilities.

C. Role, Duties and Responsibilities

1. As member of the Board, the Independent Director along with other Directors shall be collectively responsible for meeting the objectives of the Board which includes:
 - a) Requirements under the Act, Schedule IV of the Act and the Rules made thereunder
 - b) Requirements as mentioned under the SEBI Listing Regulations
 - c) Responsibilities of the Board as outlined in the Corporate Governance requirements
 - d) Accountability under the Director's Responsibility Statement
 - e) Overseeing the maintenance of high standards of Values and ethical conduct of business
2. Independent Director shall also be responsible for providing guidance in the area of his/her expertise.
3. Independent Director is expected to stay updated on how best to discharge his/her roles, responsibilities, and duties and liabilities, as an Independent Director of the Company under applicable law, including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices.
4. Independent Directors is expected to:
 - (i) Take decisions objectively and solely in the interests of the Company;
 - (ii) Facilitate Company's adherence to high standards of ethics and corporate behavior;
 - (iii) Guide the Board in monitoring the effectiveness of the corporate governance practices and to recommend changes, required if any;
 - (iv) Guide the Board in monitoring and managing potential conflicts of interest of Management, Board Members and Stakeholders, including misuse of corporate assets and abuse in related party transactions;
 - (v) Guide the Board in ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
5. The Independent Director shall hold at least one meeting in every financial year without the presence of Non-Independent Director pursuant to Regulation 25 of SEBI Listing Regulation, 2015 and Schedule IV of the Act.
6. The Company Secretary of the Company, will intimate the dates of Board and Board Committee Meetings in advance, providing sufficient opportunity to prepare well in advance.

D. Performance Evaluation

Independent Director's reappointment or extension of term and remuneration will be recommended by the Board or its authorised Committee, pursuant to a performance evaluation carried out by the Board subject to requisite approvals from the Members of the Company, as may be applicable.

E. Remuneration

1. The Independent Directors shall be paid sitting fee as and when decided by the Board and its Committee, subject to limit specified in the Act.
2. They will be entitled to reimbursement of expenses incurred them in connection with attending the Board Meetings, Board Committee meetings, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.

F. Disclosures, other directorships and business interests

During the term, Independent Director agree to promptly notify the Company of any change in their directorships and provide such other disclosures and information as may be required under the applicable laws. He/shall, upon becoming aware of any potential conflict of interest with his/her, position as Independent Director of the Company, shall promptly disclose the same to the Company.

Independent Director 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 holding Company and their 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**"). He/she shall make reasonable efforts to maintain confidentiality and to not disclose to any third party, such Confidential Information.

If any Confidential Information is required to be disclosed by Independent Director to comply with any applicable law, order, regulation or ruling, then any such disclosure should be disclosed, to the extent possible, with the prior consent of the Board.

G. D&O Insurance

The Company maintains a Directors and Officers Insurance Policy of such amount as determined by the Board, to pay for the personal liability of directors and officers for claims made against them while serving on the Board and /or as an officer of the Company.

H. Training & Development

The Company conducts induction program and familiarization program pursuant to Act and SEBI Listing Regulations. The Company has formulated this familiarization programme for the Independent Director with the objective of giving insight into:

1. Nature of Business of the Company and business environment in which it operates
 2. Business model of the Company
 3. Organizational structure
 4. Structure of Board and Board Committees
 5. Role and responsibilities of the Board Committees and Senior Management
 6. Delegation of powers to various authorities by the Board,
-

7. Regulatory Framework applicable to the Company
8. Strategic Plan including Vision, Mission and Values of the Company
9. Cyber-safe environment and awareness about fine nuances of the cyber threats
10. Financial and other controls and systems and
11. Economic features of the market and competitive environment
12. The Company arranges need based training as and when required

I. Conflict of Interest

It is expected that Independent Director shall not act in a manner or engage in such activities which may give rise to conflict of interest.

In the event circumstances seems 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 you are independent, this should be disclosed to the company secretary of the Company.

J. Termination

Independent Directorship shall terminate or cease in accordance with law.

Independent Directors 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.

If at any stage during the Term, there is a change that may affect the status of an Independent Director as envisaged in Section 149(6) of the Act or Regulation 16(1)(b) of the SEBI Listing Regulations, the concerned Independent Director agrees to promptly submit his/her resignation to the Company with effect from the date of such change.