



INNOVATIVE TYRES & TUBES LIMITED

(CIN - U25112GJ1995PLC086579)

TERMS OF APPOINTMENT OF INDEPENDENT DIRECTORS

The term “Independent Director” defined under Section 2(47) & 149(6) of the Companies Act, 2013, as modified from time to time.

“Innovative Tyres & Tubes Limited” (“the Company”) will be free to decide terms for appointment and functioning of Independent Directors, but which shall be subject to and in conformity with the Articles of Association of the Company & prevailing laws including but not limited to the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Appointment, Re-Appointment & Remuneration:

- ♣ The Candidate(s) to act as Independent Director(s) agree to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as an Independent Director(s).
- ♣ The Appointment of Independent Director(s) shall be made for specific term as decided and approved by the Shareholders in General Meeting, but maximum tenure for holding office as Independent Director(s) shall be in conformity with the provisions of the Companies Act, 2013, as amended from time to time.
- ♣ The Independent Directors will not be liable to retire by rotation.
- ♣ The Independent Director(s) shall at the Board Meeting proposing his/her appointment, and at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his/her status as an independent director(s) , give a declaration that he/she meets the criteria of independence as provided in section 149(6) of the Companies Act, 2013.
- ♣ If Independent Director(s) wants to check criteria of independence on account of changes in the circumstances then he may contact Company Secretary of the Company before making declaration of his/her independence.
- ♣ The re-appointment of Independent Director(s) would be considered by the board based on the outcome of the performance evaluation process and the directors continuing to meet the independence criteria and on the recommendation of the Nomination and Remuneration Committee which shall subject to the approval of the shareholders.
- ♣ During the Tenure of Independent Director(s), they 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 earlier provided to the Company.
- ♣ The Independent Director(s) shall be paid Sitting Fees within ceiling as specified under the Companies Act, 2013.

- ♣ No Stock Option shall be entertained/allowed to any Independent Director(s).

Act as Member/Chairman to any Committee of the Board:

The Independent Director(s) may, on being requested to act as a Member or the Chairman of any Committee of the Board, but subject to provisions of Companies Act, 2013 & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Performance Evaluation:

As member(s) of the Board, individual 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 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.

Professional Conduct, Roles & Duties:

- ♣ Independent Director(s) and the Company (where necessary), shall abide by the "Code for Independent Directors" as provided in Section 149(8) i.e. Schedule IV, section 166 of the Companies Act, 2013 in true letter and spirit and to perform obligations as stated in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- ♣ Assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.
- ♣ Independent Director(s) based on their experience and special expertise, always guide the Board in taking Decisions. While taking various Decisions, they shall take care to protect interest of stakeholders.
- ♣ Independent Director(s) shall guide the Chairman of the Company in Performance Evaluation of Executive Directors on Board.
- ♣ Independent Director(s) shall always endeavor to follow the Company's Code of Conduct of business ethics and Code for Prevention of Insider Trading".

Professional Conduct:

An independent director(s) shall:

- ♣ Uphold ethical standards of integrity and probity;
- ♣ Act objectively and constructively while exercising their duties;

- ♣ Exercise their responsibilities in a bona fide manner in the interest of the company and other stake holders;
- ♣ Devote sufficient time and attention to perform their professional obligations in decision making;
- ♣ Not allow any extraneous considerations that will vitiate their exercise of objective independent judgment in the interest of the company, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- ♣ Not abuse their 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 with them;
- ♣ Refrain from any action that would lead to lose their independence.
- ♣ Where circumstances arise which make an independent director(s) lose their independence, the independent director(s) must immediately inform the Board accordingly;
- ♣ Assist the company in implementing the best corporate governance practices.

Roles

All Independent director(s) shall:

- ♣ Help 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;
- ♣ Bring an objective view in the evaluation of the performance of board and management;
- ♣ Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- ♣ Satisfy themselves on the integrity of financial information and that financial control and the systems of risk management are robust and defensible;
- ♣ Safeguard the interests of all stakeholders, particularly the minority shareholders;
- ♣ Balance the conflicting interest of the stakeholders;
- ♣ 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;

- ♣ Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

Duties

All independent director(s) shall—

- ♣ Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- ♣ 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;
- ♣ Strive to attend all meetings of the Board of Directors and of the Board committees of which he/she is a member and to participate constructively and actively in meetings.
- ♣ Strive to attend the general meetings of the company;
- ♣ Where they 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 their concerns are recorded in the minutes of the Board meeting;
- ♣ Keep themselves well informed about the company and the external environment in which it operates;
- ♣ Not to unfairly obstruct the functioning of the Board or any committee thereof;
- ♣ Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- ♣ 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;
- ♣ Report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- ♣ Acting within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- ♣ Not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is

expressly approved by the Board or required to be disclosed by operation of law while performing their duties.

Induction

The Independent Director(s) shall be provided induction as per 'policy on Familiarization Programme for Independent Directors'.

Removal/Resignation

- ♣ If at any time during the tenure of independent director(s), the Company finds that the Independent Director(s) has breached the criteria provided under section 149(6) of the Companies Act, 2013 as amended from time to time, for Independency, he/she may be asked to resign from the position of Independent Director(s).
- ♣ The Independent Director(s) may resign from the Company, subject to a prior Notice to the Company.
- ♣ The Company retains the right of removal under express provisions of any law prevailing in the country, if it witnesses any unacceptable or improper behavior of Independent Director(s).
