Wealth from Waste

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTOR

Wealth from Waste

The terms and conditions of appointment of the Independent Directors of the Company in accordance with the requirements of Schedule IV to the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

In accordance with the requirements of Schedule IV to the Companies Act, 2013 (the "Act") and Regulation 46(2)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), the terms and conditions of appointment of Independent Directors of Alufluoride Limited are reproduced hereunder:

Terms and Conditions of appointment of Independent Directors:

I. Appointment and Term:

The following are the Independent Directors on the Board of the Company and their respective appointments will be up to the dates mentioned below (the Term):

Sl. No	Name of Independent Director	Appointed	
		From	To
1	Sri Sohrab Chinoy Kersasp	16-09-2023	15-09-2028
2	Sri Yugandhar Meka	01-08-2024	31-07-2029
3	Dr. Ravi Prasad Gorthy	14-08-2024	13-08-2029

Independent Directors are not liable to retire by rotation.

Reappointment of Independent Directors at the end of the term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders. Reappointment would be considered based on the outcome of the performance evaluation process and independence criteria in accordance with Part V of Schedule IV to the Act.

Tenure: In terms of Section 149(10) and (11) of the Act and Regulation 25(2) of the SEBI LODR, an Independent Director shall hold office for a term of up to five consecutive years and shall not hold office for more than two consecutive terms. An Independent Director who has completed two consecutive terms shall be eligible for appointment as an Independent Director only after the expiry of three years from ceasing to be an Independent Director and, during that period of three years, shall not be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Approval of shareholders: The appointment, re-appointment or removal of an Independent Director is subject to the approval of the shareholders by way of a special resolution in terms of Regulation 25(2A) of the SEBI LODR, to be obtained at the next general meeting or within three months from the date of appointment, whichever is

earlier, in terms of Regulation 17(1C) of the SEBI LODR.

Age: No person shall be appointed or continue as a non-executive director, including an Independent Director, after attaining the age of seventy-five years unless a special resolution is passed to that effect at the time of appointment or re-appointment or any time prior to the non-executive director attaining the age of seventy- five years.

II. Other Terms and Conditions

1. **Committees:**

1.1 During the appointment, the Independent Director may be required to serve on one or more of the committees of the Board including Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee or such other Committees, as the Board may decide, in accordance with Sections 135, 177 and 178 of the Act and Regulations 18, 19, 20 and 21 of the SEBI LODR. The tasks, terms of reference and composition requirements of each such Committee shall be as set out in the Act, the SEBI LODR and the charter of the respective Committee, as approved by the Board from time to time.

1.2 The Independent Director is an independent non-executive director and will be identified as such in the annual report and other documentation of the Company. If circumstances change, in a manner which may affect his / her status as an Independent Director, the Independent Director shall forthwith inform the Board through the Chairman of the Company and the Company Secretary and shall furnish a fresh declaration in terms of Section 149(7) of the Act and Regulation 25(8) of the SEBI LODR.

2. **Duties and Liabilities:**

2.1 The Independent Director will perform his / her fiduciary duties in a responsible manner and his / her general legal responsibilities to the Company will be at par with a non-executive director (not being a promoter or key managerial personnel), subject to the limitation of liability under Section 149(12) of the Act and Regulation 25(5) of the SEBI LODR.

2.2 The Independent Director shall act in accordance with the Articles of Association of the Company and while discharging his / her duties, comply with the requirements of Section 166 of the Companies Act, 2013 (including to act in good faith to promote the objects of the Company for the benefit of its members as a whole and in the best interests of the Company, its

employees, the shareholders, the community and for the protection of the environment; to exercise his / her duties with due and reasonable care, skill and diligence and to exercise independent judgment; to avoid any situation of direct or indirect conflict of interest with the Company; not to achieve or attempt to achieve any undue gain or advantage, either to himself / herself or to his / her relatives, partners or associates; and not to assign his / her office) and Schedule IV to the Companies Act, 2013.

2.3 The Independent Director will be held liable only in respect of such acts of omission or commission by the Company which have occurred with his / her knowledge, attributable through Board processes, and with his / her consent or connivance or where he / she has not acted diligently with respect to the provisions contained in the Act and the SEBI LODR, in accordance with Section 149(12) of the Act and Regulation 25(5) of the SEBI LODR.

3. **Code for Independent Directors:**

3.1 The Company has relied on the declaration of the Independent Director that he / she meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 (the "Act") and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and shall continue to meet such criteria throughout the term of appointment. The Independent Director shall give such a declaration at the first meeting of the Board in which he / she participates as a director, thereafter at the first meeting of the Board in every financial year, and whenever there is any change in the circumstances which may affect his / her status as an Independent Director, in accordance with Section 149(7) of the Act and Regulation 25(8) of the SEBI LODR, together with a confirmation that he / she is not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with objective independent judgment and without any external influence. The Board shall take such declaration and confirmation on record after due assessment of their veracity, in accordance with Regulation 25(9) of the SEBI LODR.

3.2 The Independent Director will be required to abide by the guidelines as to professional conduct for independent directors as set out in Section 149(8) read with Schedule IV to the Act.

3.3 The Independent Director will be required to comply with applicable

provisions of any code of conduct framed by the Board for all Board members and Senior Management of the Company under Regulation 17(5) of SEBI Listing Regulations and shall affirm compliance with such code of conduct on an annual basis in accordance with Regulation 26(3) of the SEBI LODR

3.4 The Independent Director shall be registered, and shall maintain such registration, in the databank of independent directors maintained by the Indian Institute of Corporate Affairs and shall, unless exempted, pass the online proficiency self-assessment test within the time prescribed, in accordance with Section 150 of the Act and Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014

4. **Restrictions:**

4.1 Save and except Directorships currently held by the Independent Director, during the term of Appointment, the Independent Directors are expected not to take up directorship in any company (whether in India or abroad) engaged in the same or similar businesses as that of the Company or in a company, business or undertaking of which competes or is likely to compete with the Company or which could otherwise potentially give rise to a conflict with his / her duties with the Company. In the event that the Independent Director becomes aware of any potential conflicts of interest, or in case of doubt, he / she should consult the Chairman of the Company as soon as practicable and shall, in any case, comply with Section 166(5) of the Act, which prohibits a director from involving himself / herself 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.

4.2 During the term of Appointment, an Independent Director shall not serve as (a) an independent director in more than the seven listed companies (or more than three listed companies, if he / she is serving as a whole-time director in any listed entity) and (b) a member of more than ten committees or a chairperson of more than five committees, across all listed companies in which he / she is a director, reckoning for this purpose only the membership (including chairpersonship) of the Audit Committee and the Stakeholders' Relationship Committee, in accordance with Regulations 25 and 26(1) of the SEBI LODR. The Independent Director shall also comply with the limits on the number of directorships under Section 165 of the Act and Regulation 17A of the SEBI LODR, and no alternate director shall be appointed for an Independent Director.

4.3 During the term of appointment, Independent Director shall comply with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and with the Company's code of conduct for prevention of insider trading and code of practices and procedures for fair disclosure of unpublished price sensitive information framed thereunder, each as amended from time to time. The Independent Director shall not deal in the securities of the Company while in possession of unpublished price sensitive information or during the period when the trading window is closed, shall not communicate, provide or procure unpublished price sensitive information except as permitted by such regulations, shall make the requisite disclosures of his / her holdings and trades, and shall not indulge in forward dealings or derivative transactions in the securities of the Company except to the extent permitted by applicable law and the Company's code.

4.4 During the term of Appointment, the Independent Director shall not enter into any agreement, for himself / herself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company, unless prior approval for the same has been obtained from the Board of Directors as well as the public shareholders of the Company by way of an ordinary resolution, in accordance with Regulation 26(6) of the SEBI LODR.,

5. Time Commitment:

By accepting the appointment, the Independent Director confirms that he / she will be able to allocate sufficient time to perform his / her duties as a director and attend meetings of the Board or any committee thereof. In addition to such attendances, Independent Director will be expected to devote appropriate preparation time ahead of each meeting and shall strive to attend all meetings of the Board, Committees of which he / she is a member and the general meetings of the Company. The Independent Director shall note that, under Section 167(1)(b) of the Act, the office of a director becomes vacant if he / she absents himself / herself from all the meetings of the Board held during a period of twelve months, with or without seeking leave of absence of the Board.

6. Training and Development:

6.1 The Independent Director will be invited to attend ongoing training and familiarization sessions for Directors including site visits.

6.2 The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

6.3 Periodic presentations are made at the Board and Board Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.

6.4 Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to Directors.

6.5 The Company shall familiarise the Independent Director through programmes about the nature of the industry in which the Company operates, the business model of the Company, the roles, rights and responsibilities of Independent Directors and any other relevant information, in accordance with Regulation 25(7) of the SEBI LODR, and shall disclose the details of such familiarisation programmes on its website in accordance with Regulation 46(2)(i) of the SEBI LODR.

7. Separate meetings:

i. The independent directors of the company shall hold at least one meeting in every financial year, without the attendance of non-independent directors and members of management, in accordance with Section 149(8) read with Part VII of Schedule IV to the Act and Regulation 25(3) of the SEBI LODR;

ii. All the independent directors of the company shall strive to be present at such meeting;

iii. The meeting shall:

a) review the performance of non-independent directors and the Board as a whole;

b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

8. Evaluation Process:

The performance of individual directors shall be evaluated by the entire Board, excluding the director being evaluated, on an annual basis, in accordance with the

criteria laid down by the Nomination and Remuneration Committee under Section 178(2) of the Act and Regulation 19 of the SEBI LODR, Part VIII of Schedule IV to the Act and Regulation 17(10) of the SEBI LODR. Such evaluation shall cover the performance of the Independent Director, the fulfilment of the independence criteria and his / her independence from the management and, on the basis of the report of such performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director. The manner of evaluation shall be disclosed in the Board's report in accordance with Section 134(3)(p) of the Act.

9. Remuneration / Sitting Fee:

In consideration of the Independent Directors' services, the Company will pay him /her the following :

(a) sitting fees for attending each meeting of the Board and its Committees as may be determined by the Board (which shall not be less than the sitting fee payable to other directors);

(b) reimbursement of expenses incurred by him / her in connection with attending the Board meetings, Committee meetings, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out- of - pocket expenses;

(c) Commission, if approved by the Board and the Shareholders, at the end of a financial year based on time committed for Company matters (the approval of the shareholders by way of a special resolution being obtained every year where the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, in terms of Regulation 17(6)(ca) of the SEBI LODR);

The Independent Directors shall not be entitled to any stock options of the Company. All fees and compensation payable to the Independent Director, other than sitting fees paid within the limits prescribed under the Act, require the prior approval of the shareholders in general meeting in terms of Regulation 17(6)(a) of the SEBI LODR, and the remuneration paid to the Independent Director shall be disclosed in the manner required under Section 197(12) of the Act, the rules made thereunder and the SEBI LODR

10. Expenses:

In addition to the remuneration stated in the preceding paragraph, the Company will reimburse Independent Director, or bear and pay, all travel, accommodation

or other expenses incurred as a result of him / her carrying out his / her duties as a director. The Independent Director may, at the Company's expense, seek independent legal or other professional advice where necessary, to perform his / her duties and will be entitled to reimbursement of costs incurred in seeking such advice. In these circumstances, Independent Director should discuss the issues concerned with the Chairman of the Company in advance.

11. Confidentiality:

The Independent Director agrees that both during and after the term of appointment, Independent Directors will not use for his / her own, or for another's benefit, or disclose or permit the disclosure of any confidential information relating to the Company, subsidiary or any group or associate companies of the Company, which he / she may acquire by virtue of his / her position as an independent director, including without limitation, any information about the deliberations of the Board and any unpublished price sensitive information. The restriction shall cease to apply to any confidential information which may (other than by reason of the director's breach of this term), become available to the public generally. Nothing in this clause shall restrict any disclosure that is expressly approved by the Board, that is required by law or by any court, tribunal or regulatory authority, or that is made as a protected disclosure under the Company's vigil mechanism in accordance with Section 177(9) of the Act and Regulation 22 of the SEBI LODR.

12. Indemnity and Insurance:

The directors are granted an indemnity from the Company in respect of liabilities incurred as a result of their office, to the extent permitted by law and the Articles of Association of the Company.

The top 1000 listed Companies shall undertake Directors and Officers (D&O) insurance for all its Independent Directors, of such quantum and for such risks as may be determined by the Board, in accordance with Regulation 25(10) of the SEBI LODR (to the extent applicable to the Company) and Schedule IV to the Act. In terms of Section 197(13) of the Act, the premium paid on such insurance shall not be treated as part of the remuneration of the Independent Director, except where the Independent Director is proved to be guilty, in which case the premium paid shall be treated as part of his / her remuneration.

13. Publication of Letter:

In line with the provisions of Schedule IV to the Act and Regulation 46(2))(b) of the SEBI LODR, the terms and conditions of appointment of the Independent

Directors (including the letter of appointment) will be open for inspection by any member at the registered office of the Company during normal business hours and the Company will also post the terms and conditions of the appointment on the Company's website www.alufluoride.com.

14. Governing Law:

The Appointment and the terms are governed by the laws of India.

15. Relationship:

15.1 The appointment constitutes neither a contract for services nor a service contract.

15.2 There will be no relationship of employer and employee as a consequence of appointment as a director of the Company.

16. Authority:

The letter of appointment will be issued under the authority of the Board and shall set out, as required under Part IV of Schedule IV to the Act: the term of appointment; the expectations of the Board from the Independent Director and the Committees of the Board in which he / she is expected to serve and the tasks thereof; the fiduciary duties that come with the appointment along with the accompanying liabilities; the provision for Directors and Officers insurance; the code of business ethics that the Company expects its directors and employees to follow; the list of actions that a director should not do while functioning as such in the Company; and the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Board and other meetings and profit-related commission, if any.