

ELGI ULTRA LIMITED

CIN: U29309TZ2017PLC029610

Regd. Office : INDIA HOUSE, 1443/1, Trichy Road, Coimbatore - 641 018, Tamilnadu, India.

Phone : +91 422 2304141 Fax : +91 422 2301377

Website: www.elgiultra.com E-mail: info@elgiultra.com

TERMS AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTORS

The terms and conditions of appointment shall be as follows:

1. The term of appointment:

The Independent Directors shall be appointed for such period as set out in the resolution for appointment of Independent Directors. During such period, the Independent Directors shall not be liable to retire by rotation.

The tenure of Independent Directors will be subject to satisfaction of the criteria of independence as laid down in the Companies Act, 2013 from time to time.

2. The expectation of the Board from the Independent Director

- a. *Time Commitment:-* The Company anticipates a commitment of sufficient time and attention as necessary in order to perform the duties, which the Independent Director shall perform under the appointment.
- b. *Strategy:-* The Company expects that the Independent Director will constructively contribute to the development of strategy.
- c. *Performance:-* The Independent Director shall scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
- d. *Risk:-* The Independent Director should satisfy himself/herself that the financial information is accurate and that financial controls and systems of risk management are robust and defensible.
- e. *Confidentiality:-* The Independent Director must apply the highest standards of confidentiality and not disclose to any person or Company (whether during the course of the appointment or at any time after its termination) any confidential information concerning the Company and any group Companies with which the Independent Director come into contact by virtue of his/her position as a Non-Executive Independent Director of the Company.

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3. Appointment in Board-level committees and its tasks

During the tenure of appointment, the Independent Director may be asked to serve on one or more of the board Committees and he/she will be provided with copies of the terms of reference for each of those committees.

4. The fiduciary duties that come with such appointment along with accompanying liabilities:

During the tenure as an independent director, he/she shall

- a. submit a declaration in the beginning of every financial year under section 149(7) of the Companies Act, 2013 ("the Act") during the tenure confirming that the Independent Director meet the criteria of independence.
- b. promptly inform the Board of any change in the status of independence of the Independent Director
- c. not breach any of the terms and conditions pertaining to Independent Directors as mentioned in the Companies Act, 2013 or any other Act or Regulations.
- d. display utmost alacrity in approving financial statements.
- e. disclose interest in any of the contracts or arrangements proposed to be entered by the Company and should disclose the interest on periodical basis as required under law.
- f. strive to attend all meetings of the Board of Directors and of the Board committees in which the Independent Director is a member and the general meetings of the company.
- g. participate constructively and actively in the committees of the Board in which the Independent Director is the chairman or member
- h. not compromise or allow to compromise "Independence"
- i. not misuse the assets, property, information or any other matter that may be in possession, in the capacity as a Director of the Company.

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- j. ensure compliance of all the laws of the land.
- k. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company
- l. raise the Independent Director concerns, if any, 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 the concerns are recorded in the minutes of the Board meeting.
- m. 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
- n. keep himself/herself well informed about the company and the external environment in which it operates
- o. not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board
- p. 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
- q. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy
- r. act within the authority of the Independent Director, assist in protecting the legitimate interests of the company, shareholders and its employees
- s. 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 by law

The above list is only indicative and not exhaustive.



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5. Insurance

The Company has taken a "Directors and Officers Liability Insurance Policy" to cover liabilities of the Directors of the Company.

6. The Code of Business Ethics that the Company expects its directors and employees to follow:

The Company has formulated a detailed Code of Conduct for the Board of Directors and Senior employees of the company. The Independent Directors shall annually affirm, in writing, the compliance with the code.

7. The list of actions that a director should not do while functioning as such in the Company

The Independent Director shall not

- i. misuse the information in his/her possession for personal gains.
- ii. engage in any way (both directly or indirectly) with the competitors.
- iii. in any way indulge in activities which may be construed as conflict of interest.
- iv. break any law of the land or indulge or provoke the co-directors or employees to do the same.
- v. engage in any activity which is against the interest of the Company

The above list is only indicative and not exhaustive.

8. The remuneration mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

The remuneration policy for non-whole-time directors, including the Independent Directors, is reviewed by the Board or committee thereof. Presently all the non-executive directors are remunerated by way of sitting fees for attending the Board meetings.

In addition to the sitting fees, the Independent Directors shall be entitled to reimbursement of such fare and reasonable expenses incurred while performing their role as an Independent Director of the Company. This includes expenses incurred in connection with attending the Board meetings, Committee meetings and General Meetings.

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9. Independent Professional Advice

When the Independent Director considers that he/she needs professional advice in furtherance of their duties as a director it will be appropriate for the Independent Director to consult independent advisors at the Company's expense. The Company will reimburse the full cost of expenditure incurred in accordance with the Company's policy.

10. Miscellaneous

During the tenure of the Independent Director's office, the number of companies in which he/she hold office as a director, or a chairman or committee members shall not exceed the limits stipulated under the Act.