

**Terms and Conditions of Appointment of
Independent Directors**

Permanent Magnets Limited

Terms and Conditions of Appointment of Independent Directors

1. APPOINTMENT:

The terms and conditions of appointment of the following Independent Directors are subject to the extant provisions of the applicable laws, including the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and Articles of Association of the Company.

- a) Independent Directors will abide by the Code for Independent Directors detailed in Schedule IV of the Companies Act, 2013.
- b) The Board, in order to derive benefit out of Independent Director's rich and varied experience, may request and nominate Independent Directors to serve on one or more Committees of the Board during their tenure.
- c) The Board expects Independent Directors to make adequate time to participate actively/ constructively in:
 - all meetings of the Board;
 - Committee(s) in which Independent Directors are a member or Chairperson;
 - General meetings of the Company; and
 - Annual Meeting of the Independent Directors.
- d) By accepting the appointment, Independent Directors confirm that be in a position to allocate sufficient time to meet the expectations of role as an Independent Director.

2. ROLES & DUTIES:

As a member of the board, Independent Directors role, duties and responsibilities will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. In terms of Section 166 of the Companies Act, 2013, Independent Directors shall,

- I. Act in accordance with the Company's Articles of Association;
- II. Act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment;
- III. Exercise their duties with due and reasonable care, skill and diligence;
- IV. Not involve themselves in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
- V. Not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates;
- VI. Not assign their office as Director and any assignments so made shall be void.

Independent Directors shall also abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013, and duties of directors as provided in the said Act and in SEBI (LODR), Regulations, 2015.

a) In addition to the role specified under Schedule IV of the Act, Independent Directors are expected to bring an independent judgment to the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.

b) Independent Directors are further expected to provide an objective view in the Board's evaluation of its own performance and of the performance of the Management and further review the performance of Management in meeting agreed goals and objectives.

c) In addition to the above, Independent Directors shall abide by the Code of Conduct devised by the Company for the Board and Senior Management.

3. TERMINATION

a) Independent Directors may resign from their position at any time upon serving reasonable prior written notice to the Board.

b) Continuation of appointment of an Independent Director is contingent on getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. Independent Directors will not be entitled to compensation if the shareholders do not re-elect them at any time.

c) Appointment of an Independent Director may also be terminated in accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company from time to time in force.

4. LIABILITIES:

As an Independent Director of the Company, they shall have the same responsibility like any other Director on the Board. However, pursuant to Section 149(12) of the Companies Act, 2013 Independent Directors shall be held liable in respect of such acts of omission or commission of the Company which had occurred with their knowledge, attributable through Board proceedings and with their consent or connivance or where they had not acted diligently.

5. FEES/ COMMISSION/REIMBURSEMENT OF EXPENSES:

a) Subject to the provisions of the Companies Act, 2013 and Articles of Association of the Company, wherever applicable, Independent Directors shall be paid sitting fees for attending each meeting of the Board of Directors ("the Board") or of Committees of the Board thereof, an amount which shall be decided by the Board from time to

time.

b) Independent Directors shall not be entitled to any Stock Options that may be issued by the Company.

c) During Independent Director's tenure of appointment as an Independent Director, the Company may seek their professional advice/ service, if required, on certain issues whenever appropriate, at the Company's expense.

6. OTHER COMPLIANCES:

During Independent Director's tenure as an Independent Director, he will comply with all applicable and related provisions of the Companies Act, 2013, and any other applicable law or regulation in force. Independent Directors are requested to maintain the limits of Directorship/ Committee membership and chairmanship as required under Section 165 of the Companies Act, 2013 read with the applicable rules made thereunder and as per Listing Regulation.

Further Independent Directors shall inform the Company about appointment/cessation of Directorship / Committee membership at the earliest:

a) At the meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect Independent status as an independent director, Independent Directors are required to give a declaration as required under Section 149(7) of the Act to the effect that they meet the criteria of Independence as required under Section 149 (6) of the Act.

b) They are requested to furnish disclosure of interest to the Company as required under Section 184 and declaration of eligibility as required under Section 164 (2) of the Act.

c) Independent Directors shall be required to attend the meeting/s of Independent Directors to be held on an annual basis and discuss the agenda as provided in Schedule IV of the Act.

d) During Independent Director's tenure with the Company, in case they became disqualified as provided in Section 164 (1) of the Act, such Directors are requested to intimate the Company.

e) Independent Directors are also requested to ensure that the conditions as prescribed under Section 167 of the Act are not violated resulting in vacation of their office.

7. CONFIDENTIALITY:

a) Independent Directors should acknowledge that all information acquired by them during their tenure is confidential to the Company and should not be released, communicated, nor disclosed by any means either during their tenure or following cessation of tenure (by whatever cause), to any person without prior clearance from the Board of Directors of the Company. Independent Director's attention is drawn to

the requirements under the law, applicable regulations and the Company policy towards disclosure of price sensitive information. Independent Directors shall abide by the Code of Insider Trading devised by the Company and shall not make any statements/disclosures in violation of the Code.

b) Upon cessation of Independent Director's tenure with the Company (for whatever cause), they shall return to the Company all documents, records, papers or other company property which may be in their possession or under their control, and which relate in any way to the business affairs of the Company, and Independent Directors shall not retain any copies thereof. Independent Directors may retain copies of agenda and other papers relating to the processes of the Board and its Committee(s) of which they are/ were a member subject to intimation to retain given to the concerned Chairman/ Board as appropriate under the circumstances and adherence by them to the basic principles of "Confidentiality" implicit in the fiduciary duties of the office.

8. REVIEW PROCESS:

a) Independent Director's performance as an Independent Director will be evaluated by the Board of Directors as per the evaluation criteria laid down by the Nomination and Remuneration Committee of the Company.

b) After due review of Independent Director's performance, it shall be determined whether to extend or continue Independent Director's term.