

Terms and Conditions of Appointment of Independent Directors of Simpson & Co. Ltd

The terms and conditions of appointment of Independent Directors of Simpson and Company Limited are subject to the applicable provisions of the Companies Act, 2013 (“the Act) and Schedule IV of the Act.

1. Terms of Appointment:

The appointment of Independent Directors is for a term of two years from the date of their respective appointment on the Board of Directors of Simpson & Co. Ltd. The Independent Directors are not liable to retire by rotation. Re-appointment at the end of the tenure shall be considered by the Board of Directors (“the Board”) based on the recommendation of the Nomination & Remuneration and the performance evaluation process, subject to the Directors continuing to meet the independence criteria.

2. Role and Duties:

As member of the Board, the Independent Directors along with other Directors will be collectively responsible for the meeting the objectives of the Board, viz,

In terms of Section 166 of the Companies Act, 2013 they shall

- i. Act in accordance with the Company’s Articles of Association.
- ii. Act in good faith in order to support the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company and the employees.
- iii. Exercise duties with due and reasonable care, skill and diligence.
- iv. Not involve 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. 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. Unless specifically authorized by the Company, shall keep all confidential information concerning the Company and shall not divulge or disclose the same to any person during the term of your appointment.

3. Remuneration:

The Independent directors shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are a member. The sitting fees payable shall be determined by the Board from time to time.

In addition to the sitting fees, the Independent Directors may also be paid a commission as may be determined by the Board, as recommended by the Nomination and Remuneration Committee after considering the performance of the Company and the performance and contribution of the Directors, as evaluated by the Board.

Further, the Company may reimburse such expenditure, if any, incurred by them while performing their role as an Independent Director of the Company, including expenditure incurred by them for travel, accommodation or any out-of-pocket expenses for attending Board/Committee meetings,

General Meetings, Court Convened Meeting, meetings with Shareholders/Creditors/Management, site visits, induction and training programs.

4. Disclosures:

During the tenure of their directorship, they shall notify promptly to the Company of any Change in their Directorship and shall provide all disclosures and information as may be required under the applicable laws.

They shall also upon becoming aware of any potential conflict of interest with their position as Independent Director of the Company, promptly disclose the same to the Chairman of the Board or the Company Secretary.

5. Disengagement:

As an Independent Director, they 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 in the notice, whichever is later.

The directorship of Independent Directors on the Board shall cease in accordance with the provisions of the Companies Act, 2013 or other applicable laws. The Company may disengage the Independent Directors prior to completion of their terms (subject to compliance of relevant provisions of the Act) upon:

- Their violating any of the proviso(s) of the Code of Conduct for the Board of Directors applicable to the Independent Directors.
- The Independent Directors failing to meet the criteria for independence as envisaged in Section 149(6) and provisions specified in Schedule IV of the Act, as amended from time to time.
