

Letter of Appointment

Date: May 20, 2019

To,

Mr.V.V.SuryaRau

Flat No.1005-B, Progressive Sea Lounge,
Plot No. 44/45, Near CBD Belapur Sector-15,
Navi Mumbai, Konkan Bhavan Thane,
Maharashtra - 400614

Dear Sir,

Sub: Appointment as Independent Director

We thank you for your confirmation to Kothari Petrochemicals Limited (the "**Company**") that you meet the "Independence" criteria as envisaged in Section 149(6) of the Companies Act, 2013 and Regulations 16 & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015") and also for your consenting to hold office as an Independent Director of the Company.

Pursuant to your confirmation and on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Members of the Company have appointed you as Independent Director of the Company by passing a Special Resolution through Postal Ballot for a term of five consecutive years. This letter sets out the terms of your appointment as an Independent Director.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the (i) applicable laws, including Companies Act, 2013 and Listing Regulations 2015 (as amended from time to time) and (ii) Articles of Association of the Company ("**AOA**").

1. Appointment

Your appointment will be for a term up to **May 19, 2024**, unless ceased earlier or extended, as per the provisions of this letter or applicable laws ("**Term**").

As an Independent Director you will not be liable to retire by rotation.

Re-appointment for another term of maximum period of five years at the end of the current term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders by way of Special Resolution. Your re-appointment would be considered by the Board based on the outcome of the performance evaluation process and you continuing to meet the independence criteria. Your re-appointment is also subject to the conditions laid in the Listing Regulations, 2015.



2. Role, duties and responsibilities

(A) As member of the Board you along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the Companies Act, 2013
- Responsibilities of the Board as outlined in the Corporate Governance requirements as prescribed in Chapter II & IV of the Listing Regulations, 2015.
- Accountability under the Directors' Responsibility Statement
- Overseeing the maintenance of high standards of values and ethical conduct of business
- Overseeing the Company's contribution to enhancing the quality of life of communities

(B) You shall abide by the 'Code for Independent Directors' as outlined in Schedule IV of the Companies Act, 2013, and duties of directors as provided in the Companies Act, 2013 (including Section 166) and in the Listing Regulations, 2015. For your ready reference, the relevant provisions have been extracted and attached to this letter.

3. Time Commitment

Considering the nature of the role of a director, it is difficult for a company to lay down specific parameters on time commitment. You agree to devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as an Independent Director.

4. Remuneration

As an Independent Director you shall be paid sitting fees for attending the meetings of the Board and the Committees of which you are a member, if any, as fixed by the Board from time to time.

Further, the Company may pay or reimburse to you such fair and reasonable expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by you for attending Board/ Committee meetings, Annual General Meetings, Extraordinary General Meetings, Court Convened Meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for Directors).

5. Kothari Petrochemicals Code of Conduct

As an Independent Director of the Company, you agree to comply with the Kothari Petrochemicals' Code of Conduct for Non-Executive Directors (NEDs). For your reference, the Code of Conduct for Non-Executive Directors is outlined below:

- Non-Executive Directors of the Company will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and his/ her role therein,
- Non-Executive Directors will comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities,



- Non-Executive Directors will safeguard the confidentiality of all information received by them by virtue of their position.

Unless specifically authorised by the Company, you shall not disclose the information about the company and its business to public constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers.

Your obligation of confidentiality shall survive termination or cessation of your directorship with the Company.

We would also like to draw your attention to the applicability of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Kothari Petrochemicals Code of Conduct on Prevention of Insider Trading Policy, prohibiting disclosure or use of unpublished price sensitive information.

Additionally, you shall not participate in any business activity which might impede the application of your independent judgment in the best interest of the Company.

You are required to sign a confirmation of acceptance of the Kothari Petrochemicals Code of Conduct for NEDs on annual basis.

6. Induction and Development

The Company shall, if required, conduct formal induction program for Directors which may include any or all of the following:

- Board roles and responsibilities, whilst seeking to build working relationship among the Board members,
- Company's vision, strategic direction, core values, ethics and corporate governance practices,
- Familiarization with financial matters, management team and business operations,
- Meetings with stakeholders, visits to business locations and meetings with senior and middle management.

The Company shall, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

7. Performance Appraisal / Evaluation Process

As a member of the Board, your performance 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 determined by the Nomination and Remuneration Committee and 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. An indicative list of factors that may be evaluated as part of this exercise is:

- Participation and contribution by a director,
- Commitment (including guidance provided to senior management outside of Board / Committee meetings),
- Effective deployment of knowledge and expertise,



- Effective management of relationship with stakeholders,
- Integrity and maintenance of confidentiality,
- Independence of behavior and judgment, and
- Impact and influence.

8. Disclosures, other directorships and business interests

During the Term, you agree to promptly notify the Company of any change in your directorships, and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the Chairman and the Company Secretary.

During your term, you agree to promptly provide a declaration under Section 149(7) of the Companies Act, 2013 and SEBI LODR Regulations, 2015, every year and upon any change in circumstances which may affect your status as an Independent Director.

As per SEBI LODR Regulations, 2015, with effect from 1st April 2019, a person shall not be director in more than 8 listed entities and with effect from 1st April 2020, a person shall not hold directorship in more than 7 listed entities. Also a person shall not serve as an Independent Director in not more than 7 listed entities. No person shall be appointed or continue as an alternate director for an Independent Director of a listed entity.

The Managing Director / Whole Time Director of a listed entity shall serve as an Independent Director in not more than three listed entities.

9. Changes of personal details

During the term, you 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 provided to the Company.

10. Termination

Your directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Companies Act, 2013, your directorship may be terminated for violation of any provisions of the Kothari Petrochemicals Code of Conduct as applicable to Non-Executive Directors.

You 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 by you in the notice, whichever is later.

If at any stage during the Term, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the Companies Act, 2013 or, you fail to meet the criteria for "Independence" under the provisions of Regulation 16(b) of the Listing Regulations, 2015, you agree to stepdown from the Independent Directorship with effect from the date of such change.



11. Co-operation

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your Term, you agree to render all reasonable assistance and co-operation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

12. Miscellaneous

- This letter represents the entire understanding, and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between yourself and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.
- No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.
- As per the provisions of the Companies Act, 2013 and Listing Regulations, 2015, this letter along with your profile shall be disclosed on the website of the Company and the National Stock Exchange of India Limited.

13. Acceptance of Appointment

We are confident that the Board and the Company will benefit immensely from your rich experience and we are eager to have you as an integral part in the growth of our Company. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

We thank you for your continued support and commitment to the Company.

Yours Sincerely,
for **Kothari Petrochemicals Limited**



Nina B. Kothari
Chairperson



AFFIRMATION

I have read and understood the terms of my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.



Name: V.V.SuryaRau

Place: Chennai

Date: May 20, 2019

SCHEDULE IV read with Section 149(8) of the Companies Act 2013

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An independent director shall:

- (i) uphold ethical standards of integrity and probity;
- (ii) act objectively and constructively while exercising his duties;
- (iii) exercise his responsibilities in a bona fide manner in the interest of the company;
- (iv) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (v) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (vi) not abuse his 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;
- (vii) refrain from any action that would lead to loss of his independence;
- (viii) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (ix) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:

- (i) 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;
- (ii) bring an objective view in the evaluation of the performance of board and management;
- (iii) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (iv) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (v) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (vi) balance the conflicting interest of the stakeholders;

- (vii) 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;
- (viii) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

The independent directors shall-

- (i) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- (ii) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (iii) 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;
- (iv) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (v) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (vi) strive to attend the general meetings of the company;
- (vii) 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;
- (viii) keep themselves well informed about the company and the external environment in which it operates;
- (ix) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (x) 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;
- (xi) 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;
- (xii) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (xiii) acting within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (xiv) 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.

IV. Manner of appointment:

- (i) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (ii) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (iii) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made there under and that the proposed director is independent of the management.
- (iv) The appointment of independent directors shall be formalized through a letter of appointment.
- (v) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (vi) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

- (i) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (ii) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.
- (iii) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

- (i) The independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management;
- (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.

VIII. Evaluation mechanism:

- (i) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (ii) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Duties of Directors as per Section 166 of the Companies Act, 2013

- (i) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
- (ii) A director of a company shall 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 interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (iii) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (iv) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (v) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (vi) A director of a company shall not assign his office and any assignment so made shall be void.
- (vii) If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

SEBI (LODR) Regulations, 2015 (Listing Regulations, 2015)

Responsibilities of the Board

1. Disclosure of Information

- (a) Members of the Board and key managerial personnel shall disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.
- (b) The Board of Directors and Senior Management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision-making.

2. Key functions of the Board

The board should fulfill certain key functions, including:

- (a) Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- (b) Monitoring the effectiveness of the company's governance practices and making changes as needed.
- (c) Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.
- (d) Aligning key managerial personnel and remuneration of board of Directors with the longer term interests of the company and its shareholders.
- (e) Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- (f) Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- (g) Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- (h) Overseeing the process of disclosure and communications.
- (i) Monitoring and reviewing Board Evaluation framework.

3. Other responsibilities

- (a) The board of directors shall provide strategic guidance to the listed entity, ensure effective monitoring of the management and shall be accountable to the listed entity and the shareholders.
- (b) The board of directors shall set a corporate culture and the values by which executives throughout a group shall behave.

- (c) Members of the board of directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.
- (d) The board of directors shall encourage continuing directors training to ensure that the members of board of directors are kept up to date.
- (e) Where decisions of the board of directors may affect different shareholder groups differently, the board of directors shall treat all shareholders fairly.
- (f) The board of directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
- (g) The board of directors shall exercise objective independent judgement on corporate affairs.
- (h) The board of directors shall consider assigning a sufficient number of non-executive members of the board of directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
- (i) The board of directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the listed entity to excessive risk.
- (j) The board of directors shall have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the listed entity's focus.
- (k) When committees of the board of directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the board of directors.
- (l) Members of the board of directors shall be able to commit themselves effectively to their responsibilities.
- (m) In order to fulfil their responsibilities, members of the board of directors shall have access to accurate, relevant and timely information.
- (n) The board of directors and senior management shall facilitate the independent directors to perform their role effectively as a member of the board of directors.

Letter of Appointment

Date: August 10, 2020

To,

Mr. Brij Mohan Bansal
C-21, Second Floor,
Green Park Extension,
Green Park Market, South Delhi,
Delhi - 110 016

Dear Sir,

Sub: Appointment as Independent Director

We thank you for your confirmation to Kothari Petrochemicals Limited (the “**Company**”) that you meet the “Independence” criteria as envisaged in Section 149(6) of the Companies Act, 2013 and Regulations 16 & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations, 2015”) and also for your consenting to hold office as an Independent Director of the Company.

Pursuant to your confirmation and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have appointed you as Independent Director of the Company for a period of 5 years, subject to approval of shareholders in the forthcoming 32nd Annual General Meeting of the Company. This letter sets out the terms of your appointment as an Independent Director.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the (i) applicable laws, including Companies Act, 2013 and Listing Regulations 2015 (as amended from time to time) and (ii) Articles of Association of the Company (“**AOA**”).

1. Appointment

Your appointment will be for a term up to **August 09, 2025**, unless ceased earlier or extended, as per the provisions of this letter or applicable laws (“**Term**”).

As an Independent Director you will not be liable to retire by rotation.

Re-appointment for another term of maximum period of five years at the end of the current term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders by way of Special Resolution. Your re-appointment would be considered by the Board based on the outcome of the performance evaluation process and you continuing to meet the independence criteria. Your re-appointment is also subject to the conditions laid in the Listing Regulations, 2015.

2. Role, duties and responsibilities

(A) As member of the Board you along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the Companies Act, 2013

- Responsibilities of the Board as outlined in the Corporate Governance requirements as prescribed in Chapter II & IV of the Listing Regulations, 2015.
- Accountability under the Directors' Responsibility Statement
- Overseeing the maintenance of high standards of values and ethical conduct of business
- Overseeing the Company's contribution to enhancing the quality of life of communities

(B) You shall abide by the 'Code for Independent Directors' as outlined in Schedule IV of the Companies Act, 2013, and duties of directors as provided in the Companies Act, 2013 (including Section 166) and in the Listing Regulations, 2015. For your ready reference, the relevant provisions have been extracted and attached to this letter.

3. Time Commitment

Considering the nature of the role of a director, it is difficult for a company to lay down specific parameters on time commitment. You agree to devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as an Independent Director.

4. Remuneration

As an Independent Director you shall be paid sitting fees for attending the meetings of the Board and the Committees of which you are a member, if any, as fixed by the Board from time to time.

Further, the Company may pay or reimburse to you such fair and reasonable expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by you for attending Board/ Committee meetings, Annual General Meetings, Extraordinary General Meetings, Court Convened Meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for Directors).

5. Kothari Petrochemicals Code of Conduct

As an Independent Director of the Company, you agree to comply with the Kothari Petrochemicals' Code of Conduct for Non-Executive Directors (NEDs). For your reference, the Code of Conduct for Non-Executive Directors is outlined below:

- Non-Executive Directors of the Company will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and his/ her role therein,
- Non-Executive Directors will comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities,
- Non-Executive Directors will safeguard the confidentiality of all information received by them by virtue of their position.

Unless specifically authorised by the Company, you shall not disclose the information about the company and its business to public constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers.

Your obligation of confidentiality shall survive termination or cessation of your directorship with the Company.

We would also like to draw your attention to the applicability of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Kothari Petrochemicals Code of Conduct on Prevention of Insider Trading Policy, prohibiting disclosure or use of unpublished price sensitive information.

Additionally, you shall not participate in any business activity which might impede the application of your independent judgment in the best interest of the Company.

You are required to sign a confirmation of acceptance of the Kothari Petrochemicals Code of Conduct for NEDs on annual basis.

6. Induction and Development

The Company shall, if required, conduct formal induction program for Directors which may include any or all of the following:

- Board roles and responsibilities, whilst seeking to build working relationship among the Board members,
- Company's vision, strategic direction, core values, ethics and corporate governance practices,
- Familiarization with financial matters, management team and business operations,
- Meetings with stakeholders, visits to business locations and meetings with senior and middle management.

The Company shall, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

7. Performance Appraisal / Evaluation Process

As a member of the Board, your performance 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 determined by the Nomination and Remuneration Committee and 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. An indicative list of factors that may be evaluated as part of this exercise is:

- Participation and contribution by a director,
- Commitment (including guidance provided to senior management outside of Board / Committee meetings),
- Effective deployment of knowledge and expertise,
- Effective management of relationship with stakeholders,
- Integrity and maintenance of confidentiality,
- Independence of behavior and judgment, and
- Impact and influence.

8. Disclosures, other directorships and business interests

During the Term, you agree to promptly notify the Company of any change in your directorships, and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the Chairperson and the Company Secretary.

During your term, you agree to promptly provide a declaration under Section 149(7) of the Companies Act, 2013 and SEBI LODR Regulations, 2015, every year and upon any change in circumstances which may affect your status as an Independent Director.

As per SEBI LODR Regulations, 2015, with effect from 1st April 2019, a person shall not be director in more than 8 listed entities and with effect from 1st April 2020, a person shall not hold directorship in more than 7 listed entities. Also a person shall not serve as an Independent Director in not more than 7 listed entities. No person shall be appointed or continue as an alternate director for an Independent Director of a listed entity.

The Managing Director / Whole Time Director of a listed entity shall serve as an Independent Director in not more than three listed entities.

9. Changes of personal details

During the term, you 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 provided to the Company.

10. Termination

Your directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Companies Act, 2013, your directorship may be terminated for violation of any provisions of the Kothari Petrochemicals Code of Conduct as applicable to Non-Executive Directors.

You 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 by you in the notice, whichever is later.

If at any stage during the Term, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the Companies Act, 2013 or, you fail to meet the criteria for "Independence" under the provisions of Regulation 16(b) of the Listing Regulations, 2015, you agree to stepdown from the Independent Directorship with effect from the date of such change.

11. Co-operation

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your Term, you agree to render all reasonable assistance and co-operation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

12. Miscellaneous

- This letter represents the entire understanding, and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between yourself and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.
- No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.
- As per the provisions of the Companies Act, 2013 and Listing Regulations, 2015, this letter along with your profile shall be disclosed on the website of the Company and the National Stock Exchange of India Limited.

13. Acceptance of Appointment

We are confident that the Board and the Company will benefit immensely from your rich experience and we are eager to have you as an integral part in the growth of our Company. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

We thank you for your continued support and commitment to the Company.

Yours Sincerely,
for Kothari Petrochemicals Limited

Nina B. Kothari
Chairperson

Annexure**SCHEDULE IV read with Section 149(8) of the Companies Act 2013****CODE FOR INDEPENDENT DIRECTORS**

The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An independent director shall:

- (i) uphold ethical standards of integrity and probity;
- (ii) act objectively and constructively while exercising his duties;
- (iii) exercise his responsibilities in a bona fide manner in the interest of the company;
- (iv) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (v) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (vi) not abuse his 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;
- (vii) refrain from any action that would lead to loss of his independence;
- (viii) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (ix) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:

- (i) 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;
- (ii) bring an objective view in the evaluation of the performance of board and management;
- (iii) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (iv) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (v) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (vi) balance the conflicting interest of the stakeholders;
- (vii) 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;
- (viii) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

The independent directors shall-

- (i) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- (ii) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (iii) 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;
- (iv) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (v) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (vi) strive to attend the general meetings of the company;
- (vii) 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;
- (viii) keep themselves well informed about the company and the external environment in which it operates;
- (ix) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (x) 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;
- (xi) 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;
- (xii) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (xiii) acting within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (xiv) 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.

IV. Manner of appointment:

- (i) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (ii) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (iii) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified

in the Act and the rules made there under and that the proposed director is independent of the management.

- (iv) The appointment of independent directors shall be formalized through a letter of appointment.
- (v) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (vi) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

- (i) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (ii) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.
- (iii) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

- (i) The independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management;
- (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.

VIII. Evaluation mechanism:

- (i) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (ii) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Duties of Directors as per Section 166 of the Companies Act, 2013

- (i) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
- (ii) A director of a company shall 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 interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (iii) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (iv) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (v) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (vi) A director of a company shall not assign his office and any assignment so made shall be void.
- (vii) If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

SEBI (LODR) Regulations, 2015 (Listing Regulations, 2015)

Responsibilities of the Board

1. Disclosure of Information

- (a) Members of the Board and key managerial personnel shall disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.
- (b) The Board of Directors and Senior Management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision-making.

2. Key functions of the Board

The board should fulfill certain key functions, including:

- (a) Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- (b) Monitoring the effectiveness of the company's governance practices and making changes as needed.
- (c) Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.
- (d) Aligning key managerial personnel and remuneration of board of Directors with the longer term interests of the company and its shareholders.
- (e) Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- (f) Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- (g) Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- (h) Overseeing the process of disclosure and communications.
- (i) Monitoring and reviewing Board Evaluation framework.

3. Other responsibilities

- (a) The board of directors shall provide strategic guidance to the listed entity, ensure effective monitoring of the management and shall be accountable to the listed entity and the shareholders.
- (b) The board of directors shall set a corporate culture and the values by which executives throughout a group shall behave.

- (c) Members of the board of directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.
- (d) The board of directors shall encourage continuing directors training to ensure that the members of board of directors are kept up to date.
- (e) Where decisions of the board of directors may affect different shareholder groups differently, the board of directors shall treat all shareholders fairly.
- (f) The board of directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
- (g) The board of directors shall exercise objective independent judgement on corporate affairs.
- (h) The board of directors shall consider assigning a sufficient number of non-executive members of the board of directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
- (i) The board of directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the listed entity to excessive risk.
- (j) The board of directors shall have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the listed entity's focus.
- (k) When committees of the board of directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the board of directors.
- (l) Members of the board of directors shall be able to commit themselves effectively to their responsibilities.
- (m) In order to fulfil their responsibilities, members of the board of directors shall have access to accurate, relevant and timely information.
- (n) The board of directors and senior management shall facilitate the independent directors to perform their role effectively as a member of the board of directors.

Letter of Appointment

Date: August 10, 2020

To,

Mr. Gautam Roy

Flat No.303, Hubtown Sunstone,
Shastri Nagar, Bandra East,
Andheri Mumbai Suburban,
Maharashtra - 400 051

Dear Sir,

Sub: Appointment as Independent Director

We thank you for your confirmation to Kothari Petrochemicals Limited (the “**Company**”) that you meet the “Independence” criteria as envisaged in Section 149(6) of the Companies Act, 2013 and Regulations 16 & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations, 2015”) and also for your consenting to hold office as an Independent Director of the Company.

Pursuant to your confirmation and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have appointed you as Independent Director of the Company for a period of 5 years, subject to approval of shareholders in the forthcoming 32nd Annual General Meeting of the Company. This letter sets out the terms of your appointment as an Independent Director.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the (i) applicable laws, including Companies Act, 2013 and Listing Regulations 2015 (as amended from time to time) and (ii) Articles of Association of the Company (“**AOA**”).

1. Appointment

Your appointment will be for a term up to **August 09, 2025**, unless ceased earlier or extended, as per the provisions of this letter or applicable laws (“**Term**”).

As an Independent Director you will not be liable to retire by rotation.

Re-appointment for another term of maximum period of five years at the end of the current term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders by way of Special Resolution. Your re-appointment would be considered by the Board based on the outcome of the performance evaluation process and you continuing to meet the independence criteria. Your re-appointment is also subject to the conditions laid in the Listing Regulations, 2015.

2. Role, duties and responsibilities

(A) As member of the Board you along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the Companies Act, 2013

- Responsibilities of the Board as outlined in the Corporate Governance requirements as prescribed in Chapter II & IV of the Listing Regulations, 2015.
- Accountability under the Directors' Responsibility Statement
- Overseeing the maintenance of high standards of values and ethical conduct of business
- Overseeing the Company's contribution to enhancing the quality of life of communities

(B) You shall abide by the 'Code for Independent Directors' as outlined in Schedule IV of the Companies Act, 2013, and duties of directors as provided in the Companies Act, 2013 (including Section 166) and in the Listing Regulations, 2015. For your ready reference, the relevant provisions have been extracted and attached to this letter.

3. Time Commitment

Considering the nature of the role of a director, it is difficult for a company to lay down specific parameters on time commitment. You agree to devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as an Independent Director.

4. Remuneration

As an Independent Director you shall be paid sitting fees for attending the meetings of the Board and the Committees of which you are a member, if any, as fixed by the Board from time to time.

Further, the Company may pay or reimburse to you such fair and reasonable expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by you for attending Board/ Committee meetings, Annual General Meetings, Extraordinary General Meetings, Court Convened Meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for Directors).

5. Kothari Petrochemicals Code of Conduct

As an Independent Director of the Company, you agree to comply with the Kothari Petrochemicals' Code of Conduct for Non-Executive Directors (NEDs). For your reference, the Code of Conduct for Non-Executive Directors is outlined below:

- Non-Executive Directors of the Company will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and his/ her role therein,
- Non-Executive Directors will comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities,
- Non-Executive Directors will safeguard the confidentiality of all information received by them by virtue of their position.

Unless specifically authorised by the Company, you shall not disclose the information about the company and its business to public constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers.

Your obligation of confidentiality shall survive termination or cessation of your directorship with the Company.

We would also like to draw your attention to the applicability of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Kothari Petrochemicals Code of Conduct on Prevention of Insider Trading Policy, prohibiting disclosure or use of unpublished price sensitive information.

Additionally, you shall not participate in any business activity which might impede the application of your independent judgment in the best interest of the Company.

You are required to sign a confirmation of acceptance of the Kothari Petrochemicals Code of Conduct for NEDs on annual basis.

6. Induction and Development

The Company shall, if required, conduct formal induction program for Directors which may include any or all of the following:

- Board roles and responsibilities, whilst seeking to build working relationship among the Board members,
- Company's vision, strategic direction, core values, ethics and corporate governance practices,
- Familiarization with financial matters, management team and business operations,
- Meetings with stakeholders, visits to business locations and meetings with senior and middle management.

The Company shall, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

7. Performance Appraisal / Evaluation Process

As a member of the Board, your performance 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 determined by the Nomination and Remuneration Committee and 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. An indicative list of factors that may be evaluated as part of this exercise is:

- Participation and contribution by a director,
- Commitment (including guidance provided to senior management outside of Board / Committee meetings),
- Effective deployment of knowledge and expertise,
- Effective management of relationship with stakeholders,
- Integrity and maintenance of confidentiality,
- Independence of behavior and judgment, and
- Impact and influence.

8. Disclosures, other directorships and business interests

During the Term, you agree to promptly notify the Company of any change in your directorships, and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the Chairperson and the Company Secretary.

During your term, you agree to promptly provide a declaration under Section 149(7) of the Companies Act, 2013 and SEBI LODR Regulations, 2015, every year and upon any change in circumstances which may affect your status as an Independent Director.

As per SEBI LODR Regulations, 2015, with effect from 1st April 2019, a person shall not be director in more than 8 listed entities and with effect from 1st April 2020, a person shall not hold directorship in more than 7 listed entities. Also a person shall not serve as an Independent Director in not more than 7 listed entities. No person shall be appointed or continue as an alternate director for an Independent Director of a listed entity.

The Managing Director / Whole Time Director of a listed entity shall serve as an Independent Director in not more than three listed entities.

9. Changes of personal details

During the term, you 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 provided to the Company.

10. Termination

Your directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Companies Act, 2013, your directorship may be terminated for violation of any provisions of the Kothari Petrochemicals Code of Conduct as applicable to Non-Executive Directors.

You 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 by you in the notice, whichever is later.

If at any stage during the Term, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the Companies Act, 2013 or, you fail to meet the criteria for "Independence" under the provisions of Regulation 16(b) of the Listing Regulations, 2015, you agree to stepdown from the Independent Directorship with effect from the date of such change.

11. Co-operation

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your Term, you agree to render all reasonable assistance and co-operation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

12. Miscellaneous

- This letter represents the entire understanding, and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between yourself and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.
- No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.
- As per the provisions of the Companies Act, 2013 and Listing Regulations, 2015, this letter along with your profile shall be disclosed on the website of the Company and the National Stock Exchange of India Limited.

13. Acceptance of Appointment

We are confident that the Board and the Company will benefit immensely from your rich experience and we are eager to have you as an integral part in the growth of our Company. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

We thank you for your continued support and commitment to the Company.

Yours Sincerely,
for Kothari Petrochemicals Limited

Nina B. Kothari
Chairperson

Annexure**SCHEDULE IV read with Section 149(8) of the Companies Act 2013****CODE FOR INDEPENDENT DIRECTORS**

The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An independent director shall:

- (i) uphold ethical standards of integrity and probity;
- (ii) act objectively and constructively while exercising his duties;
- (iii) exercise his responsibilities in a bona fide manner in the interest of the company;
- (iv) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (v) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (vi) not abuse his 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;
- (vii) refrain from any action that would lead to loss of his independence;
- (viii) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (ix) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:

- (i) 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;
- (ii) bring an objective view in the evaluation of the performance of board and management;
- (iii) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (iv) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (v) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (vi) balance the conflicting interest of the stakeholders;
- (vii) 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;
- (viii) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

The independent directors shall-

- (i) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- (ii) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (iii) 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;
- (iv) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (v) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (vi) strive to attend the general meetings of the company;
- (vii) 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;
- (viii) keep themselves well informed about the company and the external environment in which it operates;
- (ix) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (x) 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;
- (xi) 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;
- (xii) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (xiii) acting within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (xiv) 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.

IV. Manner of appointment:

- (i) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (ii) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (iii) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified

in the Act and the rules made there under and that the proposed director is independent of the management.

- (iv) The appointment of independent directors shall be formalized through a letter of appointment.
- (v) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (vi) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

- (i) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (ii) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.
- (iii) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

- (i) The independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management;
- (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.

VIII. Evaluation mechanism:

- (i) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (ii) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Duties of Directors as per Section 166 of the Companies Act, 2013

- (i) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
- (ii) A director of a company shall 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 interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (iii) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (iv) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (v) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (vi) A director of a company shall not assign his office and any assignment so made shall be void.
- (vii) If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

SEBI (LODR) Regulations, 2015 (Listing Regulations, 2015)

Responsibilities of the Board

1. Disclosure of Information

- (a) Members of the Board and key managerial personnel shall disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.
- (b) The Board of Directors and Senior Management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision-making.

2. Key functions of the Board

The board should fulfill certain key functions, including:

- (a) Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- (b) Monitoring the effectiveness of the company's governance practices and making changes as needed.
- (c) Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.
- (d) Aligning key managerial personnel and remuneration of board of Directors with the longer term interests of the company and its shareholders.
- (e) Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- (f) Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- (g) Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- (h) Overseeing the process of disclosure and communications.
- (i) Monitoring and reviewing Board Evaluation framework.

3. Other responsibilities

- (a) The board of directors shall provide strategic guidance to the listed entity, ensure effective monitoring of the management and shall be accountable to the listed entity and the shareholders.
- (b) The board of directors shall set a corporate culture and the values by which executives throughout a group shall behave.

- (c) Members of the board of directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.
- (d) The board of directors shall encourage continuing directors training to ensure that the members of board of directors are kept up to date.
- (e) Where decisions of the board of directors may affect different shareholder groups differently, the board of directors shall treat all shareholders fairly.
- (f) The board of directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
- (g) The board of directors shall exercise objective independent judgement on corporate affairs.
- (h) The board of directors shall consider assigning a sufficient number of non-executive members of the board of directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
- (i) The board of directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the listed entity to excessive risk.
- (j) The board of directors shall have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the listed entity's focus.
- (k) When committees of the board of directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the board of directors.
- (l) Members of the board of directors shall be able to commit themselves effectively to their responsibilities.
- (m) In order to fulfil their responsibilities, members of the board of directors shall have access to accurate, relevant and timely information.
- (n) The board of directors and senior management shall facilitate the independent directors to perform their role effectively as a member of the board of directors.

November 21, 2022

To,

Mr. S. Sundarraman

Independent Director

Vigneshwara, Old No.283,

New No.218, T.T.K Road,

Alwarpet, Chennai - 600 018

Dear Sir,

Sub: Re-appointment as Independent Director

We thank you for your confirmation to Kothari Petrochemicals Limited (the "**Company**") that you meet the "Independence" criteria as envisaged in Section 149(6) of the Companies Act, 2013 and Regulations 16 & 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations, 2015") and also for your consenting to hold office as an Independent Director of the Company for the second term of five years from 22nd Nov 2022 to 21st Nov 2027.

Pursuant to your consent, on recommendation of the Board of Directors, the shareholders at the 33rd Annual General Meeting of the Company have re-appointed you as an Independent Director for the second term of five years. This letter sets out the terms of your re-appointment as an Independent Director.

The terms of your re-appointment, as set out in this letter, are subject to the extant provisions of the (i) applicable laws, including Companies Act, 2013 and Listing Regulations 2015 (as amended from time to time) and (ii) Articles of Association of the Company ("**AOA**").

1. Appointment

Your re-appointment will be for a term up to **November 21, 2027**, unless ceased earlier or extended, as per the provisions of this letter or applicable laws ("**Term**").

As an Independent Director you will not be liable to retire by rotation.

2. Role, duties and responsibilities

(A) As member of the Board you along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the Companies Act, 2013
- Responsibilities of the Board as outlined in the Corporate Governance requirements as prescribed in Chapter II & IV of the Listing Regulations, 2015.
- Accountability under the Directors' Responsibility Statement
- Overseeing the maintenance of high standards of values and ethical conduct of business
- Overseeing the Company's contribution to enhancing the quality of life of communities



(B) You shall abide by the 'Code for Independent Directors' as outlined in Schedule IV of the Companies Act, 2013, and duties of directors as provided in the Companies Act, 2013 (including Section 166) and in the Listing Regulations, 2015. For your ready reference, the relevant provisions have been extracted and attached to this letter.

3. Time Commitment

Considering the nature of the role of a director, it is difficult for a company to lay down specific parameters on time commitment. You agree to devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as an Independent Director.

4. Remuneration

As an Independent Director you shall be paid sitting fees for attending the meetings of the Board and the Committees of which you are a member, if any, as fixed by the Board from time to time.

Further, the Company may pay or reimburse to you such fair and reasonable expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by you for attending Board/ Committee meetings, Annual General Meetings, Extraordinary General Meetings, Court Convened Meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for Directors).

5. Kothari Petrochemicals' Code of Conduct

As an Independent Director of the Company, you agree to comply with the Kothari Petrochemicals' Code of Conduct for Non-Executive Directors (NEDs). For your reference, the Code of Conduct for Non-Executive Directors is outlined below:

- Non-Executive Directors of the Company will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and his/ her role therein,
- Non-Executive Directors will comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities,
- Non-Executive Directors will safeguard the confidentiality of all information received by them by virtue of their position.

Unless specifically authorised by the Company, you shall not disclose the information about the company and its business to public constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers.



Your obligation of confidentiality shall survive termination or cessation of your directorship with the Company.

We would also like to draw your attention to the applicability of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Kothari Petrochemicals Code of Conduct on Prevention of Insider Trading Policy, prohibiting disclosure or use of unpublished price sensitive information.

Additionally, you shall not participate in any business activity which might impede the application of your independent judgment in the best interest of the Company.

You are required to sign a confirmation of acceptance of the Kothari Petrochemicals Code of Conduct for NEDs on annual basis.

6. Induction and Development

The Company shall, if required, conduct formal induction program for Directors which may include any or all of the following:

- Board roles and responsibilities, whilst seeking to build working relationship among the Board members,
- Company's vision, strategic direction, core values, ethics and corporate governance practices,
- Familiarization with financial matters, management team and business operations,
- Meetings with stakeholders, visits to business locations and meetings with senior and middle management.

The Company shall, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

7. Performance Appraisal / Evaluation Process

As a member of the Board, your performance 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 determined by the Nomination and Remuneration Committee and 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. An indicative list of factors that may be evaluated as part of this exercise is:

- Participation and contribution by a director,
- Commitment (including guidance provided to senior management outside of Board / Committee meetings),



- Effective deployment of knowledge and expertise,
- Effective management of relationship with stakeholders,
- Integrity and maintenance of confidentiality,
- Independence of behavior and judgment, and
- Impact and influence.

8. Disclosures, other directorships and business interests

During the Term, you agree to promptly notify the Company of any change in your directorships, memberships in Committees and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the Chairperson and the Company Secretary.

During your term, you agree to promptly provide a declaration under Section 149(7) of the Companies Act, 2013 and SEBI LODR Regulations, 2015, every year and upon any change in circumstances which may affect your status as an Independent Director.

As per SEBI LODR Regulations, 2015, with effect from 1st April 2020, a person shall not hold directorship in more than 7 listed entities. Also, a person shall not serve as an Independent Director in not more than 7 listed entities. No person shall be appointed or continue as an alternate director for an Independent Director of a listed entity.

The Managing Director / Whole Time Director of a listed entity shall serve as an Independent Director in not more than three listed entities.

9. Changes of personal details

During the term, you 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 provided to the Company.

10. Termination

Your directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Companies Act, 2013, your directorship may be terminated for violation of any provisions of the Kothari Petrochemicals Code of Conduct as applicable to Non-Executive Directors.

You 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 by you in the notice, whichever is later.

If at any stage during the Term, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the Companies Act, 2013 or, you fail to meet the criteria for “independence” under the provisions of Regulation 16(b) of the Listing Regulations, 2015, you agree to step down from the Independent Directorship with effect from the date of such change.



11. Co-operation

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your Term, you agree to render all reasonable assistance and co-operation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

12. Miscellaneous

- This letter represents the entire understanding, and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between yourself and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.
- No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.
- As per the provisions of the Companies Act, 2013 and Listing Regulations, 2015, this letter along with your profile shall be disclosed on the website of the Company and the National Stock Exchange of India Limited.

13. Acceptance of Appointment

We are confident that the Board and the Company will benefit immensely from your rich experience and we are eager to have you as an integral part in the growth of our Company. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

We thank you for your continued support and commitment to the Company.

Yours Sincerely,
for **Kothari Petrochemicals Limited**



Nina B. Kothari
Chairperson



AFFIRMATION

I have read and understood the terms of my re-appointment as an Independent Director of the Company for a term of five years and I hereby affirm my acceptance to the same.



Name: S. Sundarraman

Place: Chennai

Date: 22/11/2022

SCHEDULE IV read with Section 149(8) of the Companies Act 2013

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An independent director shall:

- (i) uphold ethical standards of integrity and probity;
- (ii) act objectively and constructively while exercising his duties;
- (iii) exercise his responsibilities in a bona fide manner in the interest of the company;
- (iv) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (v) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (vi) not abuse his 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;
- (vii) refrain from any action that would lead to loss of his independence;
- (viii) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (ix) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:

- (i) 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;
- (ii) bring an objective view in the evaluation of the performance of board and management;
- (iii) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (iv) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (v) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (vi) balance the conflicting interest of the stakeholders;

- (vii) 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;
- (viii) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

The independent directors shall-

- (i) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- (ii) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (iii) 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;
- (iv) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (v) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (vi) strive to attend the general meetings of the company;
- (vii) 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;
- (viii) keep themselves well informed about the company and the external environment in which it operates;
- (ix) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (x) 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;
- (xi) 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;
- (xii) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (xiii) acting within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (xiv) 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.

IV. Manner of appointment:

- (i) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

- (ii) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (iii) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made there under and that the proposed director is independent of the management.
- (iv) The appointment of independent directors shall be formalized through a letter of appointment.
- (v) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (vi) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation. As per Companies Act, 2013 an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a Special Resolution by the company and disclosure of such appointment in the Board's Report. Also no independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent Director, provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

VI. Resignation or removal:

- (i) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (ii) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.
- (iii) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

- (i) The independent directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management;
- (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.

VIII. Evaluation mechanism:

- (i) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (ii) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Duties of Directors as per Section 166 of the Companies Act, 2013

- (i) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
- (ii) A director of a company shall 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 interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (iii) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (iv) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (v) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (vi) A director of a company shall not assign his office and any assignment so made shall be void.
- (vii) If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

SEBI (LODR) Regulations, 2015 (Listing Regulations, 2015)

Responsibilities of the Board

1. Disclosure of Information

- (a) Members of the Board and key managerial personnel shall disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Company.
- (b) The Board of Directors and Senior Management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision-making.

2. Key functions of the Board

The board should fulfill certain key functions, including:

- (a) Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- (b) Monitoring the effectiveness of the company's governance practices and making changes as needed.
- (c) Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.
- (d) Aligning key managerial personnel and remuneration of board of Directors with the longer term interests of the company and its shareholders.
- (e) Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- (f) Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- (g) Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- (h) Overseeing the process of disclosure and communications.
- (i) Monitoring and reviewing Board Evaluation framework.

3. Other responsibilities

- (a) The board of directors shall provide strategic guidance to the listed entity, ensure effective monitoring of the management and shall be accountable to the listed entity and the shareholders.
- (b) The board of directors shall set a corporate culture and the values by which executives throughout a group shall behave.
- (c) Members of the board of directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.

- (d) The board of directors shall encourage continuing directors training to ensure that the members of board of directors are kept up to date.
- (e) Where decisions of the board of directors may affect different shareholder groups differently, the board of directors shall treat all shareholders fairly.
- (f) The board of directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
- (g) The board of directors shall exercise objective independent judgement on corporate affairs.
- (h) The board of directors shall consider assigning a sufficient number of non-executive members of the board of directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
- (i) The board of directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the listed entity to excessive risk.
- (j) The board of directors shall have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the listed entity's focus.
- (k) When committees of the board of directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the board of directors.
- (l) Members of the board of directors shall be able to commit themselves effectively to their responsibilities.
- (m) In order to fulfil their responsibilities, members of the board of directors shall have access to accurate, relevant and timely information.
- (n) The board of directors and senior management shall facilitate the independent directors to perform their role effectively as a member of the board of directors.