



BLS POLYMERS LTD.

Excellence in Compounding

TERMS AND CONDITIONS OF
APPOINTMENT OF INDEPENDENT
DIRECTORS OF THE COMPANY



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1. Appointment

The appointment of Independent Director is subject to the following:

- 1.1. The Independent Director will submit a declaration in the beginning of every financial year under section 149 (7) of the Companies Act, 2013 during tenure confirming the criteria of independence.
- 1.2. The Independent Director will promptly inform the Board of any change in the status of independence.
- 1.3. During the tenure of the directorship, the Independent Director of the Company, will ensure that the number of companies in which they are holding office as a Director or a Chairman or Committee Member will not exceed the upper limit stipulated under the Act and the Listing Agreement, as may be applicable.
- 1.4. During the tenure of the directorship, the Independent Director of the company, will ensure that they do not get disqualified to act as a Director pursuant to the provisions of section 164 of the Act.
- 1.5. The Independent Directors will ensure compliance with other provisions of the Act and the Listing Agreement as applicable to an Independent Director.

2. Term

The appointment of an Independent Director will be for a term of five (5) consecutive years and shall not be subject to retirement by rotation. The tenure will also be subject to continuing to meet the criteria of independence.

3. Committees

The Board may, if it deems fit, invite Independent Directors for being appointed on one or more existing Board Committees or any such Committee that it sets up in the future during the tenure of their office. Upon the appointment, the Independent Directors will be provided with the appropriate Committee charter which sets out the functions of that Committee.



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4. Code of Conduct and Duties and Responsibilities

- 4.1. The Independent Directors will abide by the Code of Business Conduct and Ethics to the extent applicable to an Independent Director of the Company.
- 4.2. The Independent Directors will abide by the Guidelines of professional conduct, Role, Function and Duties as an Independent Director as provided in Schedule IV of the Companies Act, 2013.
- 4.3. The Independent Directors will not hold office as a Director or any other office in a competing company/ firm/ entity.
- 4.4. The Independent Directors are expected to stay updated on how best to discharge your roles, responsibilities, and duties and liabilities, as an Independent Director of the Company under applicable law, including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices.
- 4.5. The Independent Directors shall not achieve or attempt to achieve any undue gain or advantage either to itself or to its relatives, partners or associates.
- 4.6. The Independent Directors are expected to:
 - 4.6.1. take decisions objectively and solely in the interests of the Company;
 - 4.6.2. facilitate Company's adherence to high standards of ethics and corporate behaviour;
 - 4.6.3. guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
 - 4.6.4. guide the Board in monitoring and managing potential conflicts of interest of management, Board members and stakeholders, including misuse of corporate assets and abuse in related party transactions;
 - 4.6.5. guide the Board in 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.
 - 4.6.6. Satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
 - 4.6.7. Scrutinize the performance of management in meeting its agreed goals and objectives and monitor the reporting of performance;
 - 4.6.8. Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.



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5. Performance Evaluation

The re-appointment or extension of term and remuneration of Independent Directors will be recommended by the Nomination and Remuneration Committee to the Board, pursuant to a performance evaluation carried out by the Board.

6. Remuneration

6.1. The annual remuneration to be paid to Independent Directors will be as under:

6.1.1. The Independent Directors will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board from time to time within the limits prescribed under the Act.

6.1.2. The sitting fees presently payable to the Non-Executive Independent Director is Rs. 15,000/- (Rupees Fifteen Thousand Only) per meeting of the Board and Rs. 5,000/- (Rupees Five Thousand Only) per meeting of the Committee thereof.

6.2. The Independent Directors will be entitled to reimbursement of expenses incurred by them in connection with attending the Board/ Committee meetings, General Meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.

6.3. Pursuant to applicable law, the Independent Directors will not be entitled to any stock options.

7. Prohibition on Insider Trading

The Independent Directors will follow the company's "Code for Prevention of Insider Trading" on insider information and the requirement under the Companies Act, 2013 and SEBI Regulations, which *inter-alia* requires that price-sensitive information is not used or transmitted and maintained securely. The Independent Directors should not make any statements that might risk a breach of these requirements without prior clearance.

8. Confidentiality

All information acquired during the appointment is confidential to the Company and should not be released, either during the appointment or following termination (by whatever means) to third parties without prior consent from the Board unless required by law or regulatory body. On reasonable request, the Independent Director shall surrender any documents and other materials made available by the Company. The attention is also drawn to the requirements under the act and to the applicable regulations and the Code of Conduct for Prevention of Insider Trading which concerns the disclosure of price sensitive information



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and dealing in the securities of the Company going forward. Consequently, the Independent Directors should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Board of the Company.

9. Disclosure of Interest

The Company is required to include in its Financial Statements a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record Independent Director interest appropriately. A general notice that Independent Directors are interested in any contracts with a particular person, firm or company is acceptable.

10. Termination

- 10.1. The Independent Directors may resign from the position at any time and should wish to do so, the Independent Directors are requested to serve a reasonable written notice of 90 days to the Board.
- 10.2. The Independent Directors appointment for a second/ consecutive term is contingent on getting re-elected by the shareholders in accordance with provisions of Act. The Independent Directors will not be entitled to compensation if the shareholders do not re-elect you at any time.
- 10.3. The appointment may also be terminated in accordance with the provisions of the Companies Act, 2013.

11. Miscellaneous

- 11.1. All the terms as mentioned above, including appointment, remuneration, professional conduct, role and functions, duties and evaluation shall be governed by the Companies Act, 2013 and rules made thereunder and corporate governance requirement under the Listing Regulations as amended from time to time.
- 11.2. This letter and any non-contractual obligations arising out of or in connection with this letter are governed by and shall be construed in accordance with the laws of India and subject to the exclusive jurisdiction of the Court of Delhi.



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11.3. The Independent Directors will have access to confidential information, whether or not the information is marked or designated as “confidential” or “proprietary”, relating to the company and its business including legal, financial, technical, commercial, marketing and business-related records, data, documents, reports, etc., client information, intellectual property rights (including trade secrets), (“Confidential Information”).

11.4. The Independent Directors shall use reasonable efforts to keep confidential and to not disclose to any third party, such Confidential Information.

If any confidential information is required to be disclosed by the Independent Directors in response to any summons or in connection with any litigation, or to comply with any applicable law, order, regulation or ruling, then any such disclosure should be, to the extent possible, with the prior consent of the Board.