



# **International Combustion (India) Limited**

CIN: L36912WB1936PLC008588

## **Terms & Conditions of Appointment of Independent Non-Executive Director**

*(Pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015)*

## **Terms & Conditions of Appointment of Independent Non-Executive Director**

The terms and conditions of appointment/re-appointment of the Independent Non-Executive Directors ("Independent Directors") of International Combustion (India) Limited ("Company") are subject to the applicable provisions of the Companies Act, 2013 ("Act"), the Rules framed thereunder, Schedule IV-Code for Independent Directors, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Articles of Association of the Company and other applicable laws, regulations and Company policies, as amended from time to time.

### **1. Period of Appointment/ Re-appointment**

The appointment / re-appointment of an Independent Director shall be for such term as may be approved by the Board of Directors and the shareholders of the Company in accordance with the applicable provisions of the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, provided that such term shall not exceed the tenure prescribed under applicable laws.

The tenure of appointment / re-appointment shall remain subject to continuous fulfillment of the criteria of independence prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations, as amended from time to time, and the Independent Director not being disqualified, debarred or prohibited from holding office of director by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any other competent statutory authority. The Independent Director shall furnish declaration(s) of independence in accordance with Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations, as applicable.

The appointment/ re-appointment shall further remain subject to compliance with requirements relating to the Independent Directors' Databank, proficiency assessment exemption/qualification and other conditions, wherever applicable under the Act and the rules made thereunder. The Independent Director shall not be liable to retire by rotation during the tenure of appointment.

### **2. Role on the Board**

The Independent Directors are expected to provide their expertise, skills, experience and independent judgment, inter alia, in the areas of strategic planning, management oversight, financial reporting, internal financial controls, risk management, corporate governance, regulatory compliance and Board best practices in the functioning of the Board and the Committees thereof.

The Independent Directors shall devote sufficient time and attention to the affairs of the Company and make reasonable efforts to attend meetings of the Board, Committees of which they are members, meetings of Independent Directors, General Meetings and such other meetings as may be required for the effective discharge of their duties.

The Independent Directors may be appointed as members or Chairpersons of one or more Committees of the Board and, in such event, shall be guided by the respective terms of reference and responsibilities assigned by the Board.

### **3. Duties and Liabilities**

The duties, responsibilities and liabilities of Independent Directors shall be governed by the applicable provisions of the Act, the Listing Regulations, the Articles of Association of the Company, Company policies and other applicable laws.

The Independent Directors shall, inter alia:

- a. act in accordance with the Articles of Association of the Company;
- b. act in good faith 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, shareholders, community and environment;
- c. exercise duties with due and reasonable care, skill, diligence and independent judgment;
- d. uphold ethical standards of integrity and probity;
- e. safeguard the interests of all stakeholders, particularly minority shareholders;
- f. satisfy themselves on the integrity of financial information and robustness of financial controls and risk management systems;
- g. assist in bringing an independent judgment to bear on Board deliberations and governance matters.

The Independent Directors shall comply with the Code for Independent Directors prescribed under Schedule IV of the Act.

The Independent Directors shall make disclosures of concern or interest under Section 184 of the Act, furnish declaration(s) of independence pursuant to Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations, and comply with all disclosure and compliance requirements prescribed under applicable laws.

The Independent Directors shall comply with requirements relating to Independent Directors' Databank, proficiency assessment exemption/qualification and such other conditions as may be applicable under the Act and the Rules made thereunder. The Independent Director shall promptly inform the Company of any change in circumstances that may affect his/her status as an Independent Director.

#### **4. Code of Conduct, Confidentiality and Independence**

The Independent Directors are expected to continue to satisfy the criteria of independence prescribed under the Act and the Listing Regulations throughout their tenure. The Independent Directors shall comply with the Code of Conduct for Directors and Senior Management Personnel adopted by the Company and furnish annual affirmation of compliance, as applicable.

The Independent Directors shall maintain the highest standards of confidentiality and shall not disclose to any person any confidential information concerning the Company or its affairs acquired during their association with the Company, except where such disclosure is permitted by law or authorized by the Company.

The Independent Directors shall comply with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, and the Company's Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, as applicable.

#### **5. Familiarisation Programme**

The Independent Directors shall be provided with familiarisation programmes in accordance with the applicable provisions of the Listing Regulations and the policies/practices of the Company, to enable them to understand the business, industry, operations, business model, risk profile, governance framework and regulatory environment of the Company.

## **6. Remuneration**

The Independent Directors shall be entitled to receive sitting fees for attending meetings of the Board of Directors and Committees thereof, as approved by the competent authority of the Company from time to time, within the limits prescribed under applicable laws. The Independent Directors shall also be entitled to reimbursement of expenses actually and properly incurred in connection with participation in meetings of the Board, Committees, General Meetings or otherwise in relation to discharge of their duties. The Independent Directors shall not be entitled to commission, except where specifically approved in accordance with applicable laws and the policies of the Company.

## **7. Performance Evaluation**

The performance evaluation of Independent Directors shall be carried out by the Board of Directors in accordance with the applicable provisions of the Act, the Listing Regulations and the performance evaluation framework adopted by the Company, as amended from time to time. The Independent Directors may participate in reviewing the performance of Non-Independent Directors, the Board as a whole, the Chairperson and other Independent Directors, in accordance with applicable laws.

## **8. Directors' and Officers' Liability Insurance**

The Independent Directors may be covered under the Directors' and Officers' Liability Insurance Policy, if obtained by the Company, in accordance with applicable laws and the terms and conditions of such policy.

## **9. Discontinuation**

The office of Independent Director shall terminate or cease in accordance with the provisions of the Act, the Listing Regulations, the Articles of Association of the Company and other applicable laws.

An Independent Director may resign from office by giving notice in writing to the Company specifying the reasons for resignation and such other disclosures as may be required under applicable laws. The resignation shall take effect in accordance with the provisions of the Act and other applicable laws.

Upon resignation, removal or cessation of office for any reason, the Independent Director shall not be entitled to compensation for loss of office or otherwise, except sitting fees and reimbursement of expenses, if any, payable in accordance with applicable laws for the period during which office was held.

## **10. General**

All matters relating to appointment/re-appointment, tenure, remuneration, professional conduct, role, duties, evaluation, resignation and cessation of office of Independent Directors shall be governed by the provisions of the Act, the Listing Regulations, the Articles of Association of the Company and other applicable laws, as amended from time to time. These Terms and Conditions shall be available for inspection at the Registered Office of the Company during normal business hours and shall also be hosted on the website of the Company in accordance with the applicable provisions of the Act and other applicable laws.