

## **THE STANDARD BATTERIES LTD.**

### **TERMS OF APPOINTMENT OF NON – EXECUTIVE INDEPENDENT DIRECTORS OF THE STANDARD BATTERIES LIMITED APPOINTED PURSUANT TO SECTIONS 149, 150 & 152 READ WITH SCHEDULE IV TO THE COMPANIES ACT, 2013 AND AS PER REQUIREMENTS OF LISTING AGREEMENTS WITH THE STOCK EXCHANGES**

#### **TERM OF APPOINTMENT**

An Independent Director of 'The Standard Batteries Limited' ['the Company'] is to hold the office of an Independent Director for a period of 5 (Five years) either from 1<sup>st</sup> April, 2014 or date of appointment whichever ever is later. An Independent Director so appointed will not be subject to retirement by rotation during the above term.

Further the tenure is subject to his/her meeting the criteria for being an Independent Director and not being disqualified to be a Director under the Companies Act, 2013 ('the Act') and Listing Agreement.

#### **ROLE ON THE BOARD**

An Independent Director is expected to provide his/her expertise in Corporate Governance and social contribution of business and contribute using his/her long experience in the functioning of the Board and the Committees of the Board he/she is nominated for. In addition to routine Board Meetings, he/she should allow time for Committee Meetings, preparatory work and travel, and ensure that he/she is in a position to attend.

An Independent Director may be nominated on one or more Committees of the Board and in such event he/she will be provided with the relevant Committee's Terms of Reference and any specific responsibilities.

#### **DUTIES AND RESPONSIBILITIES**

The duties, responsibilities and liabilities that are attached to the appointment for being an Independent Director would be as per the applicable laws, Company Policies and the Articles of Association of the Company. The laws that currently govern the duties, responsibilities and liabilities of an Independent Director are the Companies Act, 2013, and the Listing Agreement with the Stock Exchanges, some of which are specifically outlined below. An Independent Director will follow "the Code for Independent Director" as per Schedule IV to the Companies Act, 2013, and "The Standard Batteries Code of Conduct for Directors." An Independent Director is required to make disclosure of his/her interest as per the requirements of Section 184 of the Act.

As, an independent Director, he/she may be held liable only in respect of such acts of omission or commission by the Company which had occurred with his/her knowledge attributable through Board process and with his/her consent or connivance or where he/she had not acted diligently.

#### **INDEPENDENCE**

The Board of Directors of the Company inter alia gives due consideration to the declaration made by an Independent Director of being qualified as 'Independent' in accordance with the provisions of the Act, and the Listing Agreement with the Stock Exchange. An Independent Director is expected to continue to be qualified as 'Independent' during his/her tenure and provide periodic declaration to the effect as required by regulations. He/she will be identified as 'Independent Director' in the Annual Report and other documents and publications of the Company. If circumstances change and he/she believes it may not be possible to retain his/her independence he/she should discuss this with the Chairman as soon as practicable.

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### **EVALUATION PROCESSES**

Performance Evaluation of an Independent Director shall be done by the Board of Directors annually, without his/her participation. The Independent Director will participate in reviewing the performance of Non-Independent Directors and the Board as a whole and other Independent Directors.

### **CODE OF BUSINESS CONDUCT**

Each Independent Director will follow the 'Code of Conduct' adopted for the Directors of the Company and furnish an annual affirmation of the same.

The Independent Directors will apply the highest standards of confidentiality, and not disclose to any person or Company (whether during the course of the tenure as Independent Director or at any time after its cessation), any confidential information concerning the Company and any Group Companies with which he/she comes into contact by virtue of his/her position as a Director, except for the compliance with any law or Court Order or with prior clearance from the Chairman of the Company.

### **PROHIBITION ON INSIDER TRADING**

The Independent Directors will follow The Standard Batteires Policy on Insider Trading and the requirements under the Act 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 statement that might risk a breach of these requirements without prior clearance from the Chairman or Compliance Officer.

### **AVAILABILITY OF DIRECTORS AND OFFICERS LIABILITY INSURANCE**

The Directors will be covered as per the Policy to be purchased by the Company.

### **REMUNERATION**

An Independent Director will be entitled to remuneration in accordance with the criteria, as approved by the Board of Directors on the recommendation by the Nomination and Remuneration Committee, within the overall limits approved by the Shareholders and the applicable legal provisions. He/she will also be entitled to fee for attending Meetings of the Board or Committee thereof either personally or through video conference. The remuneration and fee payable shall be subject to applicable tax deduction at source.

In addition to the above, he/she will be entitled to reimbursement of the expenses for participation in the Board and other Meetings.

### **GENERAL**

All the terms as mentioned above including each and every Independent Director's appointment, remuneration, professional conduct, role and functions, duties and evaluation shall be governed by the Act and Rules made thereunder and Corporate Governance requirements under the Listing Agreement, as modified from time to time.

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