

Hilltone Software and Gases Ltd

TERM AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTORS

THE COMPANY'S PHILOSOPHY:-

The Company endeavors to conduct its business in a manner, which is ethical and transparent with all stakeholders in the Company. The Company's philosophy is concerned with ethics, values and morals of the Company and its Directors, who are expected to act in the best interest of the Company and remain accountable to shareholders and other stakeholders for their action. Implementation of best Corporate Governance practices by Independent Directors enhances the Company's governance and management efficiency, improves its image and contributes to the overall growth.

As per schedule IV of Companies Act, 2013 companies are required to disclose on its website terms and conditions of appointment of Independent Director on the Broad.

In the light of the above regulatory provisions the terms and conditions covering the appointment of Independent Directors are set out as under:-

APPOINTMENT:-

Appointment is subject to section 149(6) & (7), 152, 160 of the Companies Act, 2013 read with Schedule IV of the Act. The appointment on the Board as Independent Director is for a period of five consecutive years, subject to approval of shareholders. Independent Directors will not be liable to retire by rotation. Appointment is subject to the Articles of Association and regulatory provisions of the law in force. The Independent Directors shall serve on one or more Committees of the Board as may be decided by the Board from time to time.

ROLE, DUTIES AND RESPONSIBILITIES:-

The duties and liabilities that come with the appointment as Independent Director would be as per the applicable laws, the Articles of Association of the Company and the Code of Conduct. As members of the Board, the Independent Directors along with the other Directors will collectively be responsible for meeting the objectives of the Board which include:

- requirements under the Companies Act, 2013 (the Act) and the Rules thereunder;
- responsibilities of the Board as outlined in SEBI (LODR) REGULATION, 2015;
- accountability under the Directors' Responsibility Statement;
- overseeing the maintenance of high standards of the Company's values and ethical conduct of business;
- overseeing the Company's contribution towards sustainability and CSR;

- exercise his responsibilities in bona fide manner in the interest of the Company;
- not engage in any activity that interferes with the performance or responsibility to the Company or is otherwise in conflict with or prejudicial to the Company;

INDEPENDENCE AND INTERESTS:-

At the first meeting of the Board in which he participate as a Director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as a Independent Director, give declaration that he meets the criteria as provided in Section 149(6) of the Act.

To give the disclosure of interest under section 184(1) of the Act, as for avoiding the aforesaid events of disqualification. Every Independent Director shall also notify his appointment or relinquishment of office as a director in other companies within a period of 30 days of such event taking place.

CONFIDENTIALITY:-

All information acquired by the Independent Directors during their term(s) of serving as a Independent Director, which is confidential about the Company they should not communicate, release, or disclose either during the appointment or thereafter, to third parties without the prior clearance of the Board of the Company.

The Independent Directors shall receive, hold and retain Company's information under secured conditions and to take appropriate steps to maintain strict confidentiality thereof.

This restriction shall cease to apply to any confidential information which may become available to the public generally.

PRICE SENSITIVE INFORMATION AND DEALING IN THE COMPANY'S SECURITIES:-

During the period of appointment, the Independent Directors is required to comply with obligations under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the 'Code for Prevention of Insider Trading in the Securities' as amended from time to time.

PERFORMANCE EVALUATION PROCESS:-

Performance of the Independent Directors on the Board of the Company and at Committee will be evaluated annually as prescribed under Companies Act, 2013. On the basis of such evaluation results extension of term of the Independent Directors will be decided accordingly. The criteria for evaluation will be determined by the Nomination and Remuneration Committee of the Board. The criteria and manner of evaluation will be disclosed in the Company's Board/Annual Report as required under Companies Act, 2013.

MAXIMUM TENURE OF INDEPENDENT DIRECTORS:-

An Independent Director shall hold office for a term upto five consecutive years on the Board of a Company and shall be eligible for reappointment for another term of upto five consecutive years on passing of a special resolution by the Company.

Independent director, who completes his term as aforesaid, shall be eligible for appointment as Independent Director in the Company only after expiry of three years of him ceasing to be an Independent Director in the Company.

RE-APPOINTMENT:-

The re-appointment of Independent Director shall be on the basis of report of performance evaluation.

LIMIT ON NUMBER OF DIRECTORSHIPS:-

A person shall not serve as an Independent Director in more than seven listed companies. Further, any person who is serving as a Whole time Director in any listed Company shall serve as an Independent Director in not more than three listed Companies.

RESIGNATION OR REMOVAL:-

The resignation or removal of an Independent Director shall be in the same manner as is provided in Sections 168 and 169 of the Companies Act, 2013 and the Rules made thereunder.

An Independent Director who resigns or is removed from the Board of the Company shall be replaced by a new Independent Director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.

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.

PRICE SENSITIVE INFORMATION AND DEALING IN THE COMPANY'S SECURITIES:-

During the period of appointment, the Independent Directors is required to comply with obligations under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the 'Code for Prevention of Insider Trading in the Securities' as amended from time to time.

INDUCTION AND DEVELOPMENT:-

The Company will brief the Independent Directors from time to time on all business related matters, risk assessment and minimization procedures, and proposed new initiatives. They will also be regularly updated regarding changes/developments in the domestic and global corporate/industry scenario including statutes, legislation and economic environment.

PERFORMANCE EVALUATION PROCESS:-

Performance of the Independent Directors on the Board of the Company and at Committee will be evaluated annually as prescribed under Companies Act, 2013. On the basis of such evaluation results extension of term of the Independent Directors will be decided accordingly. The criteria for evaluation will be determined by the Nomination and Remuneration Committee of the Board. The criteria and manner of evaluation will be disclosed in the Company's Board/Annual Report as required under Companies Act, 2013 and in the SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATION, 2015.

AMENDMENT:

This is document is a live document of the Company. The terms in it may be reviewed, amended or modified by the Company's Board of Directors as and when required or deemed necessary.