

Terms & Conditions of Appointment of Independent Directors

In accordance with the applicable provisions of the Companies Act, 2013 (“Act”) and Clause 49 of the Listing Agreement, as amended from time to time, and the Articles of Association of JMT AUTO Limited the Company has appointed Independent Directors on the following terms & conditions : -

Sl. No.	Name of Independent Director	From	To
1.	Mr. Ashok Mittal	28th March, 2014	26th September, 2019
2.	Mr. Sanjay Chhabra	28th March, 2014	26th September, 2019

1. Appointment

- Term - The term of appointment will be for the period mentioned against their respective names. However the Company may disengage Independent Directors prior to completion of the mentioned term subject to compliance of relevant provisions of the Act.
- Retirement - As Independent Directors, they will not be liable to retire by rotation.
- Reappointment – Reappointment at the end of the term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and Shareholders of the Company. The reappointment would be considered by the Board based on the outcome of the performance evaluation process and the Directors continuing to meet the independence criteria.
- Committee Membership - The Independent Directors are eligible to be a member / Chairman of any one or more Committees of the Board which may be constituted from time to time, and may be requested to accept the same.

2. Role, duties & responsibilities

- The Independent Directors, along with the other Directors, shall be collectively responsible for meeting the objectives of the Board and meet the requirements of the applicable provisions of the Act
- Fulfill the “Responsibilities of the Board” as laid down in the Corporate Governance Requirements stipulated under Clause 49 of the Listing Agreement.

- Abide by the 'Code for Independent Directors' as specified in Schedule VI to Section 149(8) of the Act and 'Duties of Directors' as provided in the Act and in Clause 49 of the Listing Agreement.
- Be well informed about the Company and have an adequate understanding of the business environment in which the Company operates.
- Provide strategic direction and guidance in their respective areas of expertise to the Board.
- Ensure accuracy of the accounts of the Company and be accountable for the Directors' Responsibility Statement.
- Be vigilant as members of the Board and protect the interest of all stakeholders of the Company.

3. Remuneration

- Sitting Fee - As Independent Directors, they shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members, in accordance with the Articles of Association of the Company and as determined by the Board from time to time.
- Reimbursement - Company may pay or reimburse to the Director such expenditure, as may have been incurred by them while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by them for accommodation, travel and any out of pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction, training, rendering professional advice etc.

4. Insurance

The Company shall take an appropriate Directors' and Officers' Liability Insurance policy, in accordance with the Company's decision on the same. Once commenced the same shall be maintained for the term of their appointment, subject to the terms of such policy in force from time to time.

5. Code of Conduct/Excluded Actions

- As Independent Directors of the Company, they agree to comply with the JMT Code of Conduct for Directors.
- Unless specifically authorised by the Company, they shall not disclose company and business information to constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers.
- The provisions of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Company's Code of Conduct on Prevention of Insider Trading, prohibiting disclosure or use of unpublished price sensitive information, would be applicable to the Independent Directors.
- Additionally, they shall not participate in any business activity which might impede the application of their independent judgment in the best interest of the Company.

6. Performance Appraisal / Evaluation Process

- As members of the Board, their performance as well as the performance of the entire Board and its Committees will be evaluated annually. Evaluation of each Director shall be done by all the other Directors.
- The criteria for evaluation shall be 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.

7. Familiarization & Development

- The Company shall, if required, conduct formal induction/familiarization program for its Independent Directors.
- 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.

8. Disclosures, other directorships and business interests

- During the Term, they agree to promptly notify the Company of any change in their directorships, and provide such other disclosures and information as may be required under the applicable laws. They also agree that upon becoming aware of any potential conflict of interest with their position as Independent Directors of the Company, they shall promptly disclose the same to the Chairman and the Company Secretary.
- During their term, they agree to promptly provide a declaration under Section 149 (7) of the Act, upon any change in circumstances which may affect their status as an Independent Director.
- During their term, they 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.

9. Resignation/Cessation

- They 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 them in the notice, whichever is later.
- Their directorship on the Board of the Company shall cease in accordance with law. The Company may disengage Independent Directors prior to completion of their term (subject to compliance of relevant provisions of the Companies Act, 2013) in case of:-
 - Violation of any provision of the JMT Code of Conduct,
 - Upon the Director failing to meet the criteria for independence as envisaged in Section 149(6) of the Act.

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