

RESONANCE SPECIALTIES LTD

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CIN No:- L25209MH1989PLC051993

The terms & conditions of appointment of the Independent Directors of the Company in accordance with the requirements of Schedule IV to the Companies Act, 2013 and revised clause 49 of the Equity Listing Agreement

Members of our Company have their Annual General Meeting held on August 14, 2014 appointed Mr.Rajnikant Worah & Mr. L R Daga as Independent Directors (IDs) of the Company.

Terms and Conditions of appointment of Independent Directors :

1. Appointment

- i. The IDs been appointed as a Non- Executive Independent Directors on the Board of Directors of the Company for a period of five Consecutive years for a term upto 31st March, 2019. The appointment shall be governed by the provisions of the Companies Act, 2013 and the Equity Listing Agreement and are also subject to the maximum permissible Directorship that one can hold as per the provisions of the Companies Act, 2013 and the Listing Agreement.
- ii. The term “Independent Director” should be construed as defined under the Companies Act, 2013 and the Listing Agreement.
- iii. The Company has adopted provisions with respect to the appointment and tenure of ID which is consistent with the Companies Act, 2013 and the Listing Agreement. Accordingly, the ID will serve for not more than two terms of five years each on the Board of the Company. The disengagement earlier than five years will be in accordance with the provision of the Companies Act, 2013 or on mutually agreed terms.
- iv. The Provision contained in the Companies Act, 2013 and the Listing Agreement will apply as regards performance evaluation of ID is concerned. The Performance of ID Shall be evaluated by the entire Board of Directors, excluding the Director being evaluated. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of the appointment as an ID.



2. Committees

During the appointment, the ID may be required to serve on one or more of the committees as the Board may decide.

3. Duties

- i. The ID will observe the highest Standards of ethics in the role as ID
- ii. The ID will observe, in letter and spirit, the duties of directors as stipulated in relevant sections of the Companies Act, 2013 (Act) and the relevant Rules prescribed thereunder, in particular, as stipulated in section 166 of the Act.
- iii. The ID will also likewise observe the Code of Independent Director Which is codified as scheduled IV of the Act.
- iv. The ID will strive to avoid occurrence of any events specified under section 167 of the Act, which would result in vacation of office as Director. The ID will also strive to avoid incurring any of the disqualification mentioned in section 164 of the Act. In the unfortunate event of such events / disqualifications getting attracted, the ID will immediately inform the Company of the same.
- v. The ID will observe code of conduct for Directors of the Company, the code for prevention of Insider Trading in Securities of the Company and other similar Codes as formulated by the company from time to time.
- vi. The ID will be required to exercise powers and discharge responsibilities as a director in accordance with the applicable law, the Company's Article of Association and the applicable policies and procedures of the Company.
- vii. The ID will disclose any direct or indirect interest which he may have in any matter being considered at a board meeting or committee meeting and, save as permitted under the Act and other applicable law, will not vote on any resolution of the Board or its committee on any matter where the ID has any direct or indirect interest.



4. Remuneration

- i. The ID would receive a fee (“Sitting Fee”) for attending meeting of the Board or Committees thereof. The quantum of Sitting Fee shall be such as is determined by the Board from time to time.

5. Reimbursement of Expenses

- i. In addition to the sitting fees, the company will, reimburse ID for travel, hotel and other incidental expenses incurred by him/her in the performance of the role and duties as ID.

6. Conflict of Interest

- i. It is accepted and acknowledged that ID may have business interests other than those of the Company. As a condition to appointment commencing, ID are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of the appointment.
- ii. In the event that the ID becomes aware of any potential or actual conflicts of interest, these should be disclosed as soon as they become apparent and the agreement of the Board may have to be sought.

7. Confidentiality

- i. All information required during by the ID during his/ her appointment is confidential to company and should not be released, either during the appointment or following termination (by whatever means) to third parties without prior Clearance from the chairman unless required by law or by the rules of any stock exchange or regulatory body.



8. Termination

- i. ID may resign from his/her position at any time but are requested to serve a reasonable written notice to the Board.
- ii. Continuation of term of an ID is contingent upon the Shareholders re-electing in accordance with provisions of Companies Act, 2013 and the Article of Association of the Company, from time to time in force. Independent Director will not be entitled to compensation if the shareholders do not re-elect him/her at any time.
- iii. The ID's term of appointment may concluded if the ID commits a material breach of his/her obligations to the company or is guilty of fraud or dishonesty or acted in a manner which brings or is likely to bring the ID or the Company into disrepute or is materially adverse to the interests of the Company.
- iv. Continuation of the contract of appointment of an ID is also contingent on the satisfactory performance as ID and is subject to applicable law.

9. Governing Law

The appointment and the terms are governed by the Laws in India.

