

**TERMS AND CONDITIONS OF
APPOINTMENT OF INDEPENDENT
DIRECTORS**

MUNJAL SHOWA LIMITED

**TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS OF THE
COMPANY**

Terms and conditions of appointment of Independent Directors of the Company in accordance with the requirements of Schedule IV to the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Terms and conditions of appointment of Independent Directors:

I. Term:

Mr. Ashok Kumar Munjal has been appointed as an Independent Director of the Company for a first term of 5 (five) consecutive years by the members at their Annual General Meeting held on August 12, 2022. The Appointment is for a term commencing from May 17, 2022 up to May 16, 2027.

Mrs. Kavita Venugopal has been appointed as an Independent Director of the Company for a first term of 5 (five) consecutive years by the members at their Annual General Meeting held on August 12, 2022. The Appointment is for a term commencing from May 17, 2022 up to May 16, 2027.

Dr. Neetika Batra has been appointed as an Independent Director of the Company for a first term of 5 (five) consecutive years by the members through Postal Ballot dated March 16, 2024. The Appointment is for a term commencing from April 01, 2024 up to March 31, 2029.

Mr. Abhaya Shankar has been appointed as an Independent Director of the Company for a first term of 5 (five) consecutive years by the members at their Annual General Meeting held on August 20, 2025. The appointment is for a term commencing from May 26, 2025 up to August 19, 2030.

II. Other Terms and Conditions

1. Committees:

- 1.1. During the Appointment, the Independent Director may be required to serve on one or more of the committees of the Board, i.e. Audit Committee, Human Resources, Nomination and Remuneration Committee, Corporate Social Responsibility and Governance Committee, Risk Management Committee, Stakeholders' Relationship Committee or such other Committees, as the Board may decide.
- 1.2. The Independent Director is an independent non-executive director and will be identified as such in the annual report and other documentation of the Company. If circumstances change, and he/she believes that his/her independence will be in doubt, Independent Director should discuss the same with the Chairman of the Company as soon as practicable.

2. Duties and Liabilities:

- 2.1. The Independent Director will perform his/her fiduciary duties in a responsible manner and his/her general legal responsibilities to the Company will be at par with a non- executive director.
- 2.2. The Independent Director shall act in accordance with the Articles of Association of the Company and while discharging his/her duties, comply with the requirements of Section 166 and Schedule IV to the Companies Act, 2013 ("the Act").
- 2.3. The Independent Director will be held liable only in respect of such acts of omission or commission by the Company which have occurred with his/her knowledge, attributable through

Board processes, and with his/her consent or where Independent Director have not acted diligently.

3. Code for Independent Directors:

- 3.1. The Company has relied on the declaration of the Independent Director that he / she meets the criteria of independence as provided in Section 149(6) of the Act as also in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).
- 3.2. The Independent Director will be required to abide by the guidelines as to professional conduct for independent directors as set out in Section 149(8) read with Schedule IV to the Act.
- 3.3. The Independent Director will be required to comply with applicable provisions of any code of conduct framed by the Board for all Board members and Senior Management of the Company under the Listing Regulations.

4. Restrictions:

- 4.1. Save and except Directorships currently held by the Independent Director, during the term of Appointment, the Independent Directors are expected not to take up directorship in any company (whether in India or abroad) engaged in the same or similar businesses as that of the Company or in a company, business or undertaking of which competes or is likely to compete with the Company or which could otherwise potentially give rise to a conflict with his/her duties with the Company as an independent director. In the event that the Independent Director becomes aware of any potential conflicts of interest, or in case of doubt, he / she should consult the Chairman of the Company as soon as practicable.
- 4.2. During the term of Appointment, an Independent Director shall not serve as (a) an independent director in more than the prescribed number of companies and (b) a committee member of more than the prescribed number of committees including chairmanship of such committees.
- 4.3. During the term of appointment, Independent Director shall not indulge in forward dealings in securities of the Company which is prohibited under the Act. Directors are prohibited from dealing in the Company’s securities when the trading window is closed. They are expected to comply with the Company’s code for securities dealing as well as with the concerned provisions of the Insider Trading Laws and Regulations.
- 4.4. During the term of Appointment, (a) Independent Director will not enter into any agreement for himself/herself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company; and (b) Independent Director will not enter into any such agreement referred to in (a) above without obtaining the prior approval from the Board of Directors as well as public shareholders of the Company.

5. Time Commitment:

While accepting the appointment, the Independent Director confirms that he / she will be able to allocate sufficient time to perform his/her duties as a director and attend meetings of the Board or any committee thereof. In addition to such attendances, Independent Director will be expected to devote appropriate preparation time ahead of each meeting.

6. Training and Development:

The Company, shall, if required, conduct training programs, from time to time, as deemed fit for its Independent Directors which may include any or all of the following:

- 6.1. The Independent Director will be invited to attend ongoing training and familiarization sessions, including site visits, as and when conducted for Directors.
- 6.2. The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.
- 6.3. Periodic presentations are made at the Board and Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.
- 6.4. Monthly / Quarterly updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to Directors.

The Company, 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.

7. Performance Appraisal/ Evaluation Process:

The performance of individual directors shall be evaluated by the entire Board, excluding the director being evaluated and its Committees on an annual basis. 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.

8. Remuneration:

The Independent Director shall be paid sitting fees for attending the meetings of the Board and the Committees of which such Independent Director is a member. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board from time to time. The Board supported by the Nomination and Remuneration Committee may consider performance of the Company and Independent Director's performance as evaluated by the Board.

9. Munjal Showa Limited Code of Conduct:

The Independent Director agrees to comply with the Munjal Showa Limited Code of Conduct for Non-Executive Directors and Independent Directors. Unless specifically authorised by the Board, the Independent Directors shall not disclose information regarding company and its business to constituencies including the media the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers. The obligation of confidentiality shall survive the cessation of directorship with the Company.

The Independent Director shall not participate in any business activity which might impede the application of your independent judgement in the best interest of the Company.

All Non-Executive Directors are required to sign a confirmation of acceptance of the Munjal Showa Limited Code of Conduct for Non-Executive Directors and Independent Directors adopted by the Board on annual basis.

10. Disclosures, other directorships and business interests:

The Independent Director agrees to promptly notify the Company of any change in his/ her directorships, and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with his/ her position as Independent Director of the Company, the Independent director shall promptly disclose the same to the Chairman and the Company Secretary.

The Independent director agrees to promptly provide a declaration under Section 149(7) of the Companies Act, 2013 read with Regulation 25(8) of SEBI (LODR) Regulations, 2015 confirming that the Independent Director meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015 and that he/ she is not aware of any circumstance or situation, which exist or may be reasonable anticipated, that could impair or impact his/ her ability to discharge your duties with an objective independent judgement and without any external influence. This declaration shall be submitted at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect your status as an Independent Director.

11. Insurance:

The Company has Directors' and Officers' ("D&O") liability insurance and it is intended to maintain such cover for the full term of the Appointment. The Independent Director may obtain details of such insurance from the Company Secretary.

12. Indemnity:

The directors are granted an indemnity by the Company in respect of liabilities incurred as a result of their office, to the extent permitted by law.

13. Publication of Letter:

In line with the provisions of Schedule IV to the Act and Listing Regulations, the letter of appointment will be open for inspection by any member and the Company will also post the terms and conditions of the appointment on the Company's website www.munjalshowa.net.

14. Governing Law:

The Appointment and the terms hereunder are governed by the laws of India, and subject to jurisdiction of Courts in Gurugram.

15. Relationship:

15.1. This appointment letter constitutes neither a contract for services nor a service contract.

15.2. There will be no relationship of employer and employee as a consequence of appointment as an independent director of the Company.

16. Authority:

This letter of appointment is issued under the authority of the Board.

17. Disengagement

The Independent Director 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 the Independent Director in the notice, whichever is later.

His/ Her directorship on the Board of the Company shall cease in accordance with prevailing law. The Company may disengage Independent Directors prior to completion of term upon violation of Munjal Showa Limited Code of Conduct as applicable to Non-Executive Directors.

If at any stage during the Term, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the Companies Act, 2013 read with rules made thereunder or Regulation 16(1)(b) of SEBI (LODR) Regulations, 2015, the Independent Director agree to promptly submit his/ her resignation to the Company with effect from the date of such change.
