



**RHI MAGNESITA**

**RHI MAGNESITA INDIA LTD.**  
(Formerly Orient Refractories Ltd.)  
T +91 124 4062930  
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www.rhimagnesitaindia.com

## **RHI MAGNESITA INDIA LIMITED**

### **Terms and conditions of appointment of Independent Directors of the Company**





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## 1. Term of Appointment

**Mr. Vijay Sharma**, Chairman has been appointed as Additional Director (Independent) by the Board of Director of the Company with effect from 12 November 2014 and regularized as Independent Director by the members on 24 September 2015 for a term of 5 years from the date of his original appointment till 11 November 2019 and re-appointed as Independent Director for a second term of five years commencing with effect from 12 November 2019 up to 11 November 2024.

**Ms. Sonu Chadha** has been appointed as Additional Director (Independent) by the Board of Director of the Company with effect from 13 August 2019 and regularized as Independent Director by the members on 12 August 2024 for a term of 5 years from the date of his original appointment till 12 August 2024.

**Mr. Nazim Sheikh** has been appointed as Additional Director (Independent) by the Board of Director of the Company with effect from 3 November 2020 and regularized as Independent Director by the members on 29 September 2021 for a term of 5 years from the date of his original appointment till 2 November 2025.

## 2. Appointment on Committees

During the tenure, the Independent Director may be required to serve on one or more committees of the Board or any internal committee of RHI Magnesita India Limited ("the Company").

## 3. Capacity

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.

## 4. Duties and Liabilities

The Independent Director shall perform his/her fiduciary duties as specified in Articles of Association of the Company, Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("Listing Regulations") and other applicable regulations or as may be decided by the Board of Directors, in a responsible manner.

## 5. Evaluation Process

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



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## **6. Remuneration**

The Independent Directors shall be entitled to sitting fees for attending the meetings of the Company as may be decided by the Board from time to time.

## **7. Professional Conduct**

The Independent Director shall comply with the guidelines of professional conduct as specified under Schedule IV of Companies Act, 2013 which are as follows:

- i. uphold ethical standards of integrity and probity;
- ii. act objectively and constructively while exercising his duties;
- iii. exercise his responsibilities in a bona fide manner in the interest of the Company;
- iv. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- v. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- vi. not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- vii. refrain from any action that would lead to loss of his independence;
- viii. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- ix. assist the company in implementing the best corporate governance practices.

## **8. Role, Functions and Duties**

The Independent Director is required to undertake the following roles, functions and duties:

### **I. Roles and Functions**

- i. help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- ii. bring an objective view in the evaluation of the performance of board and management;
- iii. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- iv. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- v. safeguard the interests of all stakeholders, particularly the minority shareholders;



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- vi. balance the conflicting interest of the stakeholders;
- vii. determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- viii. moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

## II. Duties

The independent directors shall—

- i. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- ii. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- iii. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- iv. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- v. strive to attend the general meetings of the Company;
- vi. where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- vii. keep themselves well informed about the company and the external environment in which it operates;
- viii. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- ix. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- x. ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- xi. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- xii. act within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;



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- xiii. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

#### **9. Obligations**

The Independent Director shall be liable to comply with the provisions of Companies Act, 2013 and Listing Regulations.

#### **10. Relationship**

The appointment constitutes neither a contract for services nor a service contract.

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

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