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TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

MATANGI RUBBER LTD.

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

Pursuant to Schedule IV of the Companies Act, 2013

Terms and conditions of appointment of Independent Directors of the Company in accordance with the requirements of the provisions of the Companies Act, 2013 (hereinafter referred to as "Act") read with Schedule IV of the Act and Regulations 17 to 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (hereinafter referred to as "Listing Regulations")

1) Terms of Appointment

The term of appointment of an Independent Director (ID) of the Company is for a period of 5 consecutive years from the date of his/ her appointment. Independent Director is not liable to retire by rotation.

Appointment of every independent Director shall be approved by members of the Company by way of special resolution on the recommendations of Board and Nomination & Remuneration Committee, if any. Provided that if the special resolution for the appointment of an independent Director fails to get the requisite majority of votes but the votes cast in favour of the resolution exceed the votes cast against the resolution and the votes cast by the public shareholders in favour of the resolution exceed the votes cast against the resolution, then the appointment of such an independent Director shall deemed to be made according to the Listing Regulations.

Independent Directors will be eligible for re-appointment for another term of 5 consecutive years, after the completion of their tenure of first 5 years, subject to Board approval, and the passing of a Special Resolution by Members.

An Independent Directors will serve for not more than two terms of five years each on the Board of the Company subject to the maximum tenure of ten years as prescribed under the Act.

2) Roles and Duties

The roles and duties of the Independent Director will be those normally required of a Non-Executive Independent Director under the Act. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are inter-alia as under:

1. He/ she shall act in accordance with the Company's Memorandum of Association and Articles of Association.

2. He/ she shall act in good faith in order to promote the objects of the Company for the benefit of the members of the Company as a whole, and in the best interest of the Company.

3. He/ she shall discharge duties with due and reasonable care, skill and diligence.

4. He/ She, unless otherwise approved by the Board, shall not involve in a situation in which he/ she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.

5. He/ She shall not achieve or attempt to achieve any undue gain or advantage either to himself/ herself or his/ her relatives, partners or associates.

6. He/ She shall not assign office of Director and any assignments so made shall be void.

7. He/ She Shall comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities.

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Independent Directors shall also be taking sufficient care to perform duties specified in the Code for Independent Directors under Schedule IV of the Act and the Listing Regulations (including any modification or re-enactment of the same) that come with such an appointment along-with accompanying liabilities.

3) Board Committees

As the Board may, if it deems fit, during the tenure of office, Independent Director may be appointed to one or more of the committees of the Board or any such committee that may be set up in the future. Upon appointment to any one or more such Committees, will be subject to the applicable regulations. He/ She is to ensure compliance with the appropriate Committee charter which sets out the functions of that Committee.

4) Expectation of the Board from the Appointed Director

An Independent Director is expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance.

The Board meets at least four times in a year and the Audit Committee and Stakeholders' Relationship Committee also meet at least four times in a year. Besides, there are another Committee meetings like Nomination and Remuneration Committee, which are ordinarily convened twice in a year. The ID are expected to serve on one or more of the committees of the Board established by the Company, as the Board may decide.

They will be expected to attend meetings of Board and Board Committees in which ID is a member and Members meetings and to devote such time as appropriate to discharge their duties effectively. Ordinarily, all meetings are held at the Corporate Office or registered office. The Annual General Meeting are held at the place and the manner defined under the Act.

By accepting the appointment, the Directors confirm that they are able to allocate sufficient time to meet the expectations from their role to the satisfaction of the Board.

5) Code of Conduct and Business Ethics for Board of Directors and Insider Trading Code

The Board has put in place a Code of Conduct and Ethics for Board of Directors (Code). Independent Directors shall abide by the Code. An annual affirmation of compliance is required to be provided by the Independent Directors on the same.

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.

Directors shall also comply with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Code of Conduct for Prevention of Insider Trading of the Company. The Directors shall not make use of unpublished price sensitive information.

6) Directors' Fees/ Remuneration

a) A sitting fee will be paid for attending each meeting of the board as well as the committee meeting attended, as per the provisions of Section 197 of the Act and the Articles of Association of the Company, as fixed by the board from time to time. In addition to the sitting fees, Commission as determined by the Board may also be payable to the ID.

b) The ID will be entitled to claim reimbursement of all his/ her travelling, hotel and other incidental expenses incurred by him/ her in performance of duties as Director of the Company, as per the provisions of the Act.

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7) Stock Options

Independent Director is not eligible to participate in Stock Options schemes of the Company.

8) Status of Appointment

The Independent Director will not be the employee of the Company and the appointment letter shall not constitute a contract of employment. The Directors will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and / or as approved by the Members from time to time.

9) Conflict of Interest

It is accepted and acknowledged that the appointed IDs may have business interests other than those of the Company. Considering the same, they are required to declare any such Directorships, appointments and interests to the Board in writing in the prescribed form at the time of their appointment.

In the event that circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgments that they are independent, this should be disclosed to both the Chairman and the Company Secretary of the Company.

10) Confidentiality

All information acquired during the appointment is confidential to the Company and should not be released, either during the appointment or following cessation (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. On reasonable request, Director shall surrender any documents and other materials made available to them by the Company.

Attention is also drawn to the requirements under the applicable regulations and the Sequent Insider Trading Code which is concerned with the disclosure of price sensitive information and dealing in the securities of Sequent. Consequently, Director should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Company Secretary.

Unless specifically authorized by the Company, the Independent Director shall not disclose Company and business information to public constituencies such as the media, the financial community, employees, members, agents, franchises, dealers, distributors and importers.

11) Cessation

Independent Directors may resign from their position at any time and if they wish to do so, they are requested to serve a reasonable written notice on the Board.

Continuation of their appointment is contingent on getting re-elected by the members in accordance with provisions of the Act, the Rules framed thereunder and the Articles of Association of the Company, from time to time in force. They will not be entitled to compensation if the members do not re-elect them at any time.

Their appointment may also be dispensed with in accordance with the provisions of the Act & Articles of Association of the Company.

No ID, who resigns from the Company, shall be appointed as an executive / whole time Director on the board of the Company, its holding, subsidiary or associate company or on the board of a company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an independent Director.

12) Performance Evaluation of Independent Directors

The performance evaluation of independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated on annual basis

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

13) Termination

Their appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

14) Miscellaneous

a) Independent Directors shall give an annual declaration of meeting the criteria of independence as required and update whenever there is change in circumstances which may effect their Status of Independence under the provision of section 149(7) of the Act, and the rules made thereunder.

b) An Independent Director shall not serve as an independent Director in more than seven (7) listed companies as may be stipulated by the Listing Regulations or any other law of the land, for the time being in force. An ID agree to devote such time as is prudent and necessary for the proper performance of their roles, duties and responsibilities in the Company.

c) Further, an Independent Director who is serving as a Whole-Time Director in any listed company shall not serve as an independent Director in more than three (3) listed companies or such number of listed companies as may be stipulated by the Listing Regulations or any other law of the land, for the time being in force.

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

e) The Company to avail 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.

f) The independent Directors of the listed entity shall hold at least one meeting in a financial year, without the presence of non-independent Directors and members of the management to discuss the matters of the Company and all the independent Directors shall strive to be present at such meeting.

g) The Company shall conduct familiarization programs for its Independent Directors.

h) During the term, they shall promptly intimate the Company Secretary and the Ministry of Corporate Affairs in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

i) In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission of an Independent Director during their term, they agree to render all reasonable assistance and co-operation to the Company and provide such information and documents as are necessary and are required by the Company or its Legal Counsel.