

## **CODE FOR INDEPENDENT DIRECTORS**

**(As per Schedule - IV of the Companies Act, 2013)**

### **PREFACE:**

The code is a guide to professional conduct for Independent Directors (ID's) of Oswal Minerals Limited (OML). Adherence to these standards by Independent Directors and fulfillment of their responsibilities in a professional manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of Independent Directors.

### **GUIDELINES FOR PROFESSIONAL CONDUCT:**

Every Independent Director of OML shall:

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising his duties;
3. exercise his responsibility in a bonafide manner in the interest of the Company;
4. devote sufficient time to his professional obligations for informed and balanced decision making;
5. 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 associated person;
6. assist the Company in ensuring best corporate governance practices;
7. refrain from any action that would lead to loss of his independence;
8. where circumstances arise which make him lose his independence, he must immediately inform the Board accordingly;
9. 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.

### **ROLE AND FUNCTIONS OF ID'S:**

Every Independent Director of OML shall:

1. help in bringing an Independent judgment to bear in the Board's deliberations

especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;

2. scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
3. safeguard the interests of all stakeholders, particularly minority shareholders;
4. balance the conflicting interests of all stakeholders;
5. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest;
6. bring an objective view in the evaluation of the performance of board and management;
7. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
8. 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.

**DUTIES OF ID'S:**

Every Independent Director of OML shall:

1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
2. strive to attend all meetings of the Board of Directors and of the Board committees of which he/she is a member;
3. keep themselves well informed about the Company and the external environment under which it operates;
4. pay sufficient attention and ensure adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
5. report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct;
6. not disclose confidential information including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information

unless such disclosure is approved by Board or by law;

7. strive to attend the general meetings of the Company;
8. participate constructively and actively in the committee of the Board in which they are chairperson and members;
9. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
10. acting within his authority, assist in protecting the legitimate interest of the Company, shareholders and its employees;
11. ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interest of a person who uses such mechanism are not prejudicially affected on account of such use;
12. 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;
13. 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.

**MANNER OF APPOINTMENT:**

1. The Appointment process of ID's shall be independent of the Company's management; while selecting ID's the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the board to discharge its functions and duties effectively.
2. The appointment of ID's of the Company shall be approved at the meeting of the shareholders.
3. The statement attached to the notice of the meeting for approving the appointment of Independent Director shall include a statement that in the opinion of the Board, the Independent Director proposed to be appointed fulfils the conditions specified in the Act and the rules made there under and that the proposed Director is independent of the management.
4. The appointment of ID's shall be formalised through a letter of appointment, which shall set out:-
  - a. the term of appointment;

- b. the expectation of the Board from the appointed Director; the Board-level committee(s) in which the Director is expected to serve and its tasks;
  - c. the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - d. the Code of Business Ethics/ Code of Conduct for Directors/ Senior Management of the Company expects its Directors and employees to follow;
  - e. the list of actions that a Director should not do while functioning as such in the company; and
  - f. the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any
5. The terms and conditions of appointment of ID's shall be open for inspection at the registered office of the company by any member during normal business hours.
  6. The terms and conditions of appointment of ID's shall also be posted on the company's website.

**RE-APPOINTMENT:**

The reappointment of Independent director shall be on the basis of report of performance evaluation.

**RESIGNATION OR REMOVAL:**

1. The resignation or removal of an Independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
2. An Independent director who resigns or is removed from the Board of the Company shall be replaced by a new Independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
3. Where the Company fulfils the requirement of ID's in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new Independent director shall not apply.

**SEPARATE MEETING:**

1. The ID's of the Company shall hold at least one meeting in a year, without the attendance of non-Independent Directors and members of management;
2. All the ID's of the Company shall strive to be present at such meeting;
3. The meeting shall:

- (a) review the performance of non-Independent directors and the Board as a whole;
- (b) review the performance of the Chairperson of the Company, taking into account the views of Executive directors and non-executive Directors;
- (c) assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**EVALUATION MECHANISM:**

1. The performance evaluation of ID's shall be done by the entire Board of Directors, excluding the director being evaluated.
2. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent director.