

## TERMS AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTOR(S)

### Appointment

1. The appointment of the Independent Director shall be in compliance with the provisions of Section 149(6) of the Companies Act, 2013, read with the applicable rules made thereunder.
2. The Independent Director shall be appointed for a term of five (5) consecutive years and may be re-appointed for one additional term of five (5) consecutive years in accordance with the provisions of the Companies Act, 2013, provided that the total tenure shall not exceed ten (10) years.
3. As Independent Directors, they will not be liable to retire by rotation.
4. Reappointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders. The reappointment would be considered by the Board based on the outcome of the performance evaluation process and the directors continuing to meet the independence criteria. The directors may be requested to be a member / Chairman of any one or more Committees of the Board which may be constituted from time to time
5. A cooling-off period of three (3) years shall apply after completion of the maximum tenure, as prescribed under the Companies Act, 2013.

### Role, duties and responsibilities

1. As members of the Board, they along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:
  - ◆ Requirements under the Companies Act, 2013
  - ◆ "Responsibilities of the Board" as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under the Listing Agreement
  - ◆ Accountability under the Director's Responsibility Statement
2. They shall abide by the „Code For Independent Directors" as outlined in Schedule IV to section 149(8) of the 2013 Act, and duties of directors as provided in the 2013 Act (including Section 166) and in the Listing Agreement.
3. They are particularly requested to provide guidance in their area of expertise.
4. The Independent Director shall submit a declaration confirming compliance with the criteria of independence as prescribed under Section 149(6) at the first Board meeting and thereafter annually or as required.
5. Independent Director shall comply with the Company's Code of Conduct, insider trading regulations, and all other applicable policies, guidelines, and procedures of the Company, as may be adopted or amended from time to time.
6. The duties and responsibilities of the Independent Director shall be governed by the Code of Conduct for Directors and Senior Management Personnel and applicable statutory provisions.
7. The remuneration of the Independent Director shall be determined in accordance with the Nomination and Remuneration Committee Policy of the Company and the applicable provisions of the Companies Act, 2013.

#### **Eastern Treads Ltd.**

**CIN :** L25119KL1993PLC007213

**Reg. Office:** 3 A, 3rd Floor, Eastern  
Corporate Office, 34/137 E, N H Bye-Pass,  
Edappally P. O., Kochi, Kerala - 682 024, India.

**Factory :** Oonnukal P.O, Kothamangalam  
Ernakulam, Kerala - 686 693.

Phone : +91 484 7161234

E-mail : [treads@easterntreads.com](mailto:treads@easterntreads.com)

Web : [www.easterntreads.com](http://www.easterntreads.com)

Phone : +91 485 2855 448

### Remuneration

1. As Independent Directors, they shall be paid sitting fees for attending the meetings of the Board and the Committees of which they are members. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board from time to time. In addition to the sitting fees, commission that may be determined by the Board may also be payable to them. In determining the amount of this commission, the Board supported by the Nomination and Remuneration Committee may consider performance of the Company and their performance as evaluated by the Board
2. Further, the Company may pay or reimburse to the Director such expenditure, as may have been incurred by them while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by them for accommodation, travel and any out of pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with Shareholders/creditors/management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of their duties as Independent Directors.

### Evaluation Process

As members of the Board, their performance as well as the performance of the entire Board and its Committees will be evaluated annually. 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

### Changes of personal details

During the Term, they shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company

### Liability

The liability of the Independent Director shall be limited in accordance with Section 149(12) of the Companies Act, 2013

### Disengagement

The office of Independent Director shall cease upon resignation, removal, disqualification, or completion of tenure, in accordance with the provisions of the Companies Act, 2013.

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