



TERMS AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTORS

The members of Mazda Limited approved appointment of two independent Directors at the Annual General Meeting of the Company held on 30th September, 2014. The appointment was made on the following terms and conditions:

The Appointment of the Independent Directors by the Company is in accordance with the provisions of the Companies Act, 2013 and Rules made thereunder and the Listing Agreement.

Appointment / Re-appointment of an Independent Director

a. Term of appointment:

The appointment or re-appointment of the Independent Director is subject to the provisions provided in Sections 149 & 152 of the Companies Act, 2013, the rules made thereunder and the relevant provisions of the Listing Agreement, the term of appointment of Independent Director is for a period for 5 years.

b. Committee Membership:

The Board of Directors may propose the names of Independent directors to one or more of the committees of the Board as and when needed.

c. Role and Responsibilities:

Independent Director will be held liable only in respect of such omission or commission which has occurred with their knowledge, attributable through Board processes, or with their consent or connivance or where they have not acted diligently. The Board as a whole is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. In addition to the above requirements for all Directors, an Independent Director shall abide by the Code for Independent Directors as laid down under Schedule IV of the Companies Act, 2013, or any amendments thereto.

d. Fiduciary position:

Directors being Trustees of the stake holders of the Company shall discharge their responsibilities upholding their fiduciary responsibilities or duties, which in short are as under:

- To act within their powers, in good faith to promote the success of the Company.
- To exercise independent judgment, reasonable care, skill and diligence.
- To avoid conflict of interest.
- Not to accept benefits from third parties, which are attributable consequent to Independent directors, independent directorship of the Company.
- To declare interest in proposed transactions or arrangements.

e. Code of conduct:

During the tenure of Independent Directors appointment, they are required to comply with Schedule IV of the Companies Act, 2013 and all relevant regulations as may be prescribed by the Listing Authority with regard to insider trading and other market related matters from time to time. Independent Director will also adhere to the code of conduct as may be notified by the Board of Directors of the Company for its directors and other employees.

f. Remuneration:

Independent Directors will be paid sitting fees for attending each meeting of the Board and its Committees as may be determined by the Board from time to time.

g. Confidentiality:

Independent Director must apply the highest standards of confidentiality and not disclose to any person or company any confidential information concerning the Company with which they come into contact by virtue of their position as Director.

h. Independence:

The Board of Directors of the Company inter alia has given due consideration to Independent Directors declaration of being qualified as 'independent' in accordance with the provisions of Companies Act, 2013 and the Listing Agreement with the Stock Exchange. Independent Directors are expected to continue to be qualified as 'independent' during their tenure and provide periodic declaration to the effect as required by regulations. Independent Directors will be identified as 'Independent Director' in the annual report and other documents and publications of the Company. If circumstances change and Independent Director believe it may not be possible for Independent Director to retain their independence they should discuss this with the Chairman as soon as possible.

j. Performance Evaluation:

Independent Directors re-appointment or extension of term and remuneration will be recommended by the Nomination and Remuneration Committee of the Board, pursuant to a performance evaluation carried out by the Board.

k. *Training:*

Independent Directors will be entitled to training programme to familiarize themselves with the business and affairs of the Company, growth plans, the complexities of the industry in which the Company operates its goals and expectations and long term plans and objectives.

l. *Retirement or Termination:*

Directorship of the Independent Directors on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the 2013 Act, Independent Directors directorship may be terminated for violation of any provision of the act or company's Code of Conduct as applicable to Non-Executive Directors. Independent Directors 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 director in the notice, whichever is later. If at any stage during the Term, there is a change that may affect Independent Directors status as an Independent Director as envisaged in Section 149(6) of the 2013 Act or, if applicable, Independent Director fail to meet the criteria for "independence" under the provisions of Clause 49 of the Listing Agreement, Independent Directors may agree to submit their resignation to the Company with effect from the date of such change.