



## **Terms and Conditions of Appointment of Independent Directors**

The Board of Directors have expressed the opinion that you qualify as an Independent Director. Accordingly, we are pleased to inform you that the Shareholders have at their meeting held on ....<sup>th</sup> ....., 2014, appointed you as an Independent Director of the Company, not liable to retire by rotation, on the following terms and conditions.

### **1. Tenure of Appointment**

2. For an initial term of five consecutive years commencing from.....<sup>th</sup> ....., 2014 upto .....<sup>th</sup> ....., 2019.

### **3. Compensation / Remuneration**

In consideration of your agreeing to act as an Independent Director of the Company as defined in the Companies Act, 2013 (the “Act”), you will be entitled to paid remuneration as stated below :-

- (i) A sitting fee of Rs. 20,000/- per meeting of the Board and Committees of the Board attended by you.
  - (ii) Commission of an amount that will be determined by the Nomination and Remuneration Committee and duly approved by the Board at the time of finalising the audited accounts of the Company for each financial year. The commission amount so determined shall be paid as soon as possible after the audited account for the relevant year is signed by the Auditors.
  - (iii) You shall be entitled to reimbursement of expenses incurred by you, in connection with your attendance at Board and Committee meetings.
4. You shall comply with the relevant provisions of the Code for Independent Director as set out in Schedule IV of the Act. The relevant extract for ease of reference is set out below :
- I. An Independent Director shall :
    - 1) uphold ethical standards of integrity and probity;
    - 2) act objectively and constructively while exercising his duties;
    - 3) exercise his responsibilities in a bona fide manner in the interest of the Company;
    - 4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
    - 5) not allow any extraneous considerations that will vitiate his exercise of objective Independent judgement in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgement of the Board in its decision making;



- 6) 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;
- 7) refrain from any action that would lead to loss of his independence;
- 8) where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;
- 9) assist the Company in implementing the best corporate governance practices.

## II. Role and functions :

The Independent Directors shall :

- 1) help in bringing an Independent judgement to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- 2) bring an objective view in the evaluation of the performance of board and management;
- 3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- 5) safeguard the interests of all stakeholders, particularly the minority share-holders;
- 6) balance the conflicting interest of the stakeholders;
- 7) 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;
- 8) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

## III. Duties :

The Independent Directors shall –

- 1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;



- 2) 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;
- 3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- 4) participate constructively and actively in the committees of the Board in which they are chairpersons or member;
- 5) strive to attend the general meetings of the Company;
- 6) 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;
- 7) keep themselves well informed about the Company and the external environment in which it operates;
- 8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 9) 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;
- 10) 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;
- 11) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- 12) acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- 13) 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.