

## **Terms of Appointment of Independent Directors**

### **Term of Appointment**

For a period of 5 years.

### **Sitting Fees & Expenses**

Entitled to a Sitting Fees of Rs.20,000.00 per meeting and to reimbursement of expenses for participation in the Board and Committee Meetings.

### **Expectations of the Board**

Besides being Independent Director on the Board of Directors, they are also member of following Committees of the Company:

- 1) Audit Committee
- 2) Risk and Asset Liability Management Committee
- 3) Investment Committee
- 4) Nomination & Remuneration Committee
- 5) With Profits Committee / Corporate Social Responsibility Committee

The expectations of the Board from Independent Director and being member of above mentioned Committees, are that they shall:

- 1) Help in bringing an independent judgment 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 shareholders.
- 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.

### **Fiduciary Duties:**

As an Independent Director they 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 they are a member.
- 3) Participate constructively and actively in the committees of the Board in which they are chairperson or member.
- 4) Strive to attend the general meetings of the company.
- 5) 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.
- 6) 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.
- 7) Keep themselves well informed about the company and the external environment in which it operates.
- 8) 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.
- 9) 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.
- 10) Report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
- 11) Act within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees.

### **Code of Business Ethics:**

The Company expects that as an Independent Director they shall:

- 1) Uphold ethical standards of integrity and probity.
- 2) Act objectively and constructively while exercising his duties.
- 3) Exercise their responsibilities in a bona fide manner in the interest of the company.
- 4) Devote sufficient time and attention to their professional obligations for informed and balanced decision making.
- 5) Immediately inform the Board, where circumstances arise which make them lose their independence.
- 6) Assist the company in implementing the best corporate governance practices.

### **List of Actions not to be taken:**

As an Independent Director they shall not:

- 1) Unfairly obstruct the functioning of an otherwise proper Board or committee of the Board.

- 2) Not allow any extraneous considerations that will vitiate their 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.
- 3) Not abuse their 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.
- 4) Refrain from any action that would lead to loss of their independence.
- 5) 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.

#### **Separate Meetings of Independent Directors**

The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management. All the independent directors of the company shall strive to be present at such meeting. 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.