

## Terms and Conditions of Appointment of Independent Directors

Schedule IV to the Companies Act, 2013 provides for the 'Code for Independent Directors'. The appointment process of Independent Directors is independent of the company management. During the selection process, the Board ensures 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.

The appointment of Independent Director(s) of the Company is approved at the meeting of the shareholders. The Board always ensures that the Independent Director proposed to be appointed fulfils the conditions specified in the Act and the Rules made thereunder and that the proposed director is independent of the management and a statement to that effect is included in the explanatory statement attached to the notice of the meeting.

The terms and conditions for the appointment of the Independent Director are enumerated below:

### **Appointment**

- The appointment is for a term of 5 (five) years commencing from the date of appointment and ending ('Termination Date') on 6th Annual General Meeting of the Company following the date of appointment and shall not be liable to retirement by rotation. Unless the appointment is renewed on or prior to the Termination Date, the appointment shall come to an end on the Termination Date.
- During the term of the appointment, the Independent Director may be asked to serve on one or more of the Board Committees including Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee or such committee of the Board of the Directors from time to time and copies of the terms of Reference for each of those committees will be provided to him.
- If circumstances change, and the Independent Director believes that his independence may be in doubt, he should discuss this with the Chairman of the Company as soon as possible.

### **Time Commitment**

By accepting the appointment, the Independent Director confirms that he is able to allocate sufficient time to perform his role as an Independent Director of the Company.

In terms of the Companies Act, 2013, he will have to attend at least one Board Meeting during every Financial Year in-person. Also, he will strive to attend the Board / its committees' calls whenever scheduled as per the best convenience of all the attendees.

### **Role and responsibility**

- As an Independent Director, he will be bound by the Code for Independent Directors as mentioned under Schedule IV to the Companies Act, 2013 and as per the Corporate Governance Guidelines issued by IRDAI.
- As an Independent Director, he has the same general legal responsibilities to the Company as any other Director including all fiduciary duties, responsibilities, statutory obligations and liabilities of directors prescribed in law including the Companies Act, 2013.

- The role of the Independent Directors shall also have the following key elements:
  - Strategy and Business Development: The Independent Director should constructively challenge and contribute to the overall strategy and to the business development initiatives of the Company by getting actively engaged with the Company in making introductions to potential clients in the key service areas of the Company;
  - Performance: The Independent Director should scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance; and
  - Risk: The Independent Director should satisfy himself that financial information is accurate and that financial controls and systems of risk management are robust and defensible.

### **Other obligations and compliances**

The Independent Director will be required to execute / confirm with respect to the following documentation on a periodic basis:

- Confirmation that he is not disqualified to act as a Director of the Company in terms of the Companies Act, 2013
- Declaration of Independence in terms of the Companies Act, 2013
- Code of Conduct for Independent Directors as per Schedule IV of the Companies Act, 2013
- Disclosure of change in interest in companies where he is appointed / ceased as a Director or Key Managerial Personnel
- Confirmation that his directorships in companies do not conflict with the interest of the Company.
- Confirming to the adherence of deed of covenants as per the corporate governance guidelines.

### **SITTING FEES**

- The Company pays sitting fee for attending each Board Meeting / its Committee meetings as per the provisions of the Companies Act, 2013 and the Rules made thereunder.
- The sitting fee described above is the gross amount payable per financial year, which is subject to deductions of applicable taxes and any other deductions required, if any by any applicable laws. The Independent Director shall be responsible for the personal taxation.
- The Company has made provisions for Directors and Officers (D&O) insurance policy which covers the risk of breach of duty, neglect or omission to act, error or misstatement or misleading statement and failure to supervise, etc.

### **Expenses**

In addition to the above, the Company will reimburse the official travel expenses, hotel expenses, and all other reasonable out of pocket expenses borne by the Independent Director for participating in Board and other Committee meetings and other Business meetings.

### **Other directorships and Business Interests**

- The Company acknowledges that Independent Director may have business interests in other companies. In the event that he becomes aware of any potential conflicts of interests, these should be disclosed to the Chairman and Company Secretary as soon as they become apparent.

### **Code of Conduct**

During the period of the appointment, the Independent Director will be bound by the Company Code of Directors and such other codes of conduct under applicable laws including the Companies Act, 2013, Insurance Act, 1938 read with amendmends and the regulations of IRDAI.

### **Confidentiality and Non-Disclosure**

- The Independent Director must apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the appointment or at any time after its termination) any confidential information concerning the Company and any Group Companies.
- Any information concerning the Company's business, its customers, suppliers, etc. which is not in public domain and to which all employees do not have access, should be considered confidential for the purpose and should be held in confidence, unless authorised to do so and when disclosure is required as a requirement of law.
- On termination of the Appointment, the Independent Director will deliver to the Company all books, documents, papers, and other property of or relating to business of the company or any Group Company which are in their possession, custody or power by virtue of their position as an Independent Director of the Company. The Company will arrange the disposal of papers that he no longer requires.

### **Liability**

An Independent Director will be liable only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board process, and with his consent or connivance or where he had not acted diligently.

### **Review Process**

The performance of individual Directors and the whole Board and its committees is evaluated annually. The Independent Director will have to make himself available for carrying out the annual / periodic performance review of himself and the Board committees where he is a part thereof for review purpose. Independent Director has to further confirm that he will extend his contribution to review of the Board of Directors individually as well as for its various committees on behalf of / as desired by the Board of Directors on an annual / periodic time frame.