

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

The terms & conditions for appointment of Independent Director in terms of the requirements of Schedule IV of the Companies Act, 2013 (“the Act”) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”):

1. TENURE OF APPOINTMENT:

The Independent Director will serve for a term of five consecutive years and not liable to retire by rotation.

2. TERMS OF APPOINTMENT:

We have taken note of your confirmation that you meet the independence criteria as required pursuant to Section 149(6) of the Act and Regulation 16(b) of the SEBI Listing Regulations and you hold a valid registration on the Independent Directors’ databank, maintained by the Indian Institute of Corporate Affairs.

Declarations and disclosures to be made to the Company:

Pursuant to your appointment as an Independent Director in the Company, you will be required to furnish the declarations, disclosures and documents as required under the Act and SEBI Listing Regulations and any other applicable law from time to time.

Re-appointment:

On the conclusion of the first term of appointment of five consecutive years, you may further be appointed for a term of five consecutive years subject to the approval of the Board, based on the performance evaluation report and approval of shareholders by a special resolution.

Membership(s) on other Boards and Committee positions:

You may continue to serve on the Boards of other companies. However, there should not be any conflict of interest vis-à-vis our Company.

Further, your number of Board and committee positions in all companies should be within the maximum limit prescribed under the Act and SEBI Listing Regulations, from time to time and in case of any change, you are requested to inform the Company.

Employee Stock Options:

It may be noted that as provided under the Act and SEBI Listing Regulations, you will not be entitled to any stock options of the Company.

3. COMMITTEES OF THE BOARD:

The Company will form statutory Board Committees, and you may be requested to be a member/chairperson of any one or more Committees/Sub Committees of the Board which may be reconstituted from time to time; and you may also be requested to join the Board of one or more of Company’s subsidiaries.

4. DEVOTION OF TIME:

It is expected that you will give sufficient time, as may be appropriate and essential, in line with your responsibilities and duties as an Independent Director.

5. REMUNERATION:

As per the provisions of the Act, the maximum limit of remuneration to be paid to all the Non- Executive Directors (NED)/Independent Directors of the Company is capped at 1% of the net profits of the Company. However, you may be paid a remuneration in excess of the above limit in accordance with Schedule V.

Sitting fees of Rs. 70,000 per meeting of the Board and Rs. 40,000 for a meeting of the Board Committee will be paid to you or such amount as may be determined by the Board of Directors from time to time. You will be entitled to reimbursement of expenses incurred by you, in connection with your attendance at Board, Committee and general meetings.

In addition to the sitting fees, profit-related commission would also be payable to you. Commission may be paid within the monetary limit approved by shareholders, subject to a limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration/ commission to its Independent Director and Non-Executive Directors in accordance with the provisions of Schedule V of the Act as amended from time to time. In determining the amount of this commission, the Board or the Nomination & Remuneration Committee of the Board, as may be constituted from time to time, may consider various factors which inter alia include attendance at Board and Committee meetings, Chairmanship of the Board and Committees, contribution to the Board and Committee meetings, participation in strategic decision making and inputs to executive management on matters of strategic importance. Also, other factors like industry practices, performance evaluation and the performance of the Company will be considered.

6. ROLES & FUNCTIONS:

As an Independent Director, you will be expected to –

- a. 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.
- b. Bring an objective view in the evaluation of the performance of board, committees, and individual directors.
- c. Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
- d. Ensure the integrity of financial information and that financial controls and the systems of risk management are robust and flexible.
- e. Safeguard and balance the interests of all stakeholders.
- f. Moderate and arbitrate in the interest of the Company in situations of conflict between management and shareholder’s interest.

7. RESPONSIBILITIES & DUTIES:

Following will be your responsibilities and duties –

- a. Updating your skills, knowledge and familiarity with the Company and the external environment in which it operates.
- b. Seeking appropriate clarification or amplification of information.
- c. Striving to attend and actively participate in all meetings of the Board and Committees of which you are a chairperson/member as well as the general meetings of the Company.
- d. Holding and/or participating actively in the separate meetings of the Independent Directors of the Company which shall –
 - review the performance of non-independent directors and the Board as a whole.
 - review the performance of the Chairperson of the Company, taking into account the views of executive and non-executive directors.
 - assess the quality, quantity and timeliness of the flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- e. Ensuring that your concerns about the running of the Company or a proposed action, are addressed by the Board and, to the extent that are not resolved, insist that your concerns are recorded in the minutes of the Board meeting.
- f. Not unfairly obstructing the functioning of an otherwise proper Board or committee of the Board.
- g. Ensuring adequate deliberations, before approving related party transactions and assuring yourself that the same are in the interests of the Company.
- h. Ensuring that the Company has an adequate and functional vigil mechanism and reporting concerns about unethical behavior, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy if any.
- i. Acting within your authority, assist in protecting the legitimate interests of the Company, shareholders, and employees.
- j. Not disclosing 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.

8. PROFESSIONAL CONDUCT:

As an Independent Director, you shall-

- a. Uphold ethical standards of integrity and probity.
- b. Act objectively and constructively while exercising your duties.
- c. Exercise your responsibilities in a bona fide manner in the interest of the Company.
- d. Devote sufficient time and attention to your professional obligations for informed and balanced decision making.
- e. Not allow any extraneous considerations that will vitiate your 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.
- f. Not abuse your 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.
- g. Refrain from any action that would lead to loss of your independence.
- h. Where circumstances arise which make you lose your independence, you must immediately inform the Board accordingly.
- i. Assist the Company in implementing the best corporate governance practices.



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9. TRAINING AND DEVELOPMENT:

The Company holds Board meetings at its registered office and also if necessary, in the locations where it operates. Presentations are made regularly to the Board and the committees where Directors get an opportunity to interact with senior managers. Presentations, inter alia, cover business strategies, management structure, HR policy, management development and succession planning, quarterly and annual results, budgets, treasury policy, review of inter audit, risk management framework, operations of subsidiaries and associates, etc.

10. CODE OF CONDUCT OF THE COMPANY:

Every Director is expected to abide by the Code of Conduct adopted by the Company in complete letter and spirit and it shall be required to furnish an annual affirmation of compliance of the said Code of Conduct.

You shall be required to comply with any other policies of the Company, which may be made applicable by law or otherwise, from time to time in complete letter and spirit.

11. LIABILITY OF NON-EXECUTIVE DIRECTORS & INDEPENDENT DIRECTORS:

Abiding by the provisions of the Act, we would like to mention that being an Independent Director of the Company, you will be held liable, only in respect of such acts of omission or commission which have occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you have not acted diligently.

