

**Date: (Date of Appointment)**

**To,  
Name of the Director  
Address of the Director**

**Sub: Appointment of Mr. \_\_\_\_\_ as an Independent Director**

Dear Sir,

We would like to inform you that upon the recommendation of Nomination and Remuneration Committee received on \_\_\_\_\_ the Board of Directors have passed the resolution on \_\_\_\_\_, & have approved your appointment as an Independent Director w.e.f. \_\_\_\_\_ till the next annual general meeting of the Company. This letter sets out your terms of appointment:

**1. Term of Appointment:**

- 1.1. You will be appointed as an Additional Non-Executive Independent Director on the Board of the Company with effect from \_\_\_\_\_. In accordance with the provisions of Companies Act, 2013 and other applicable laws, you will serve as an Independent Director till the next Annual General Meeting to be held in the year \_\_\_\_ of the Company. Your appointment is subject to the approval of shareholders at the next Annual General Meeting.
- 1.2. The term "Independent Director" should be construed as defined under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) LODR Regulations, 2015.
- 1.3. The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and Sebi LODR Regulations. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. The Company is at liberty to disengage Non-Executive Independent Director earlier subject to compliance of relevant provisions of Companies Act, 2013.
- 1.4. As an Independent Director, you are not liable to retire by rotation.

**2. The fiduciary duties along with accompanying liabilities:**

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and inter alia are as under:

- 2.1. You shall act in accordance with the Company's Articles of Association.
- 2.2. You shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, its shareholders, the community and for the protection of environment.
- 2.3. You shall discharge your duties with due and reasonable care, skill & diligence.
- 2.4. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.

- 2.5. You shall not assign your office as Director and any assignments so made shall be void. There are certain roles, functions duties prescribed for all Independent Directors, which are listed in the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013 & Sebi LODR Regulations, 2015.

3. **Code of Business ethics and business conduct:**

The Company has formulated and adopted Code of Conduct for all Board members and senior management. The Code of Conduct is posted on Company's website at [geeceventures.com](http://geeceventures.com). You shall annually affirm, in writing, with the Compliance with the Code.

4. **Fees and Remuneration:**

- 4.1 You will not be employee of the Company and this letter shall not constitute a contract of employment and is a contract for services. The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the amount approved by the Board of Directors, subject to the upper limit of Rs. One Lakh per meeting or such amount as may be prescribed by the Central Government from time to time. The sitting fees presently paid to the Non-Executive / Independent Directors is Rs. 15000/- per meeting of the Board and Rs.10000/- for Audit Committee, Rs. 5000/- for Nomination and Remuneration Committee and other Committees thereof and the meeting of the Independent Directors Meeting. The Board may increase the sitting fees within the limit prescribed by the Companies Act, 2013.

- 4.2 In addition to the sitting fees, commission that may be determined by the Board may also be payable to them. In determining the amount of this commission, the Board supported by the Nomination and Remuneration Committee may consider performance of the Company and their performance as evaluated by the Board. Further, the Company may pay or reimburse such expenditure, as may have been incurred by them while performing their role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by them for accommodation, travel and any out of pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of their duties as Independent Directors.

5. **Evaluation of Board:**

As a Non-Executive Independent Director, you should strive to hold and attend one meeting of the Independent directors in a year/ financial year, without the presence of Non- Independent Directors and member of the management team with the sole objective of:

- 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 directors and non-executive directors;
- 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.

Further, each Non-Executive Independent Director's appointment or re-appointment is subject to yearly evaluation process adopted by the Board.

**6. Conflict of Interest :**

- 6.1 It is expected and acknowledged that you may have business interests, memberships other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.
- 6.2 In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that you are independent, this should be disclosed to both the Chairman and the Secretary.

**7. Disclosure of Interest by Director:**

It is expected that any interest you may have in any transaction or arrangement that the Company has entered into should be disclosed no later than when the transaction or arrangement comes up at a Board meeting. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

**8. Insurance:**

Provision for Directors and Officers (D and O) insurance, if any: The Company has Directors' and Officers' liability insurance in place and it is intended to maintain such cover for the full term of your appointment.

**9. Dealings in Shares:**

You are required to comply with the Code of Conduct for Prevention of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information. This code inter alia prohibits the Directors from dealing in the Company's shares during the period when the trading window is closed. Further, directors, being designated officers of the Company for the purpose of insider trading guidelines, are to pre-clear all trades (buy/sell) from the Compliance Officer of the Company, if the proposed trades is above or upto Rs. 10 lakhs (Market value). You are also required to comply with the applicable SEBI insider trading laws and regulations.

**10. Adherence and acceptance of the Code of Conduct, Duties & Role /Responsibilities as laid down under Companies Act, 2013 & SEBI (Listing Obligations and Disclosure Requirements) LODR Regulations, 2015:**

As an independent director, the Ministry of Corporate Affairs and Sebi has laid down some defined duties and role which is required to be adhered by the Independent Directors and thus you are requested to go through the following codes and roles /duties provided under Companies Act, 2013 and SEBI (LODR) Reg., 2015. The Following codes and roles are annexed with this letter as provided hereunder:

<b>Sr.no</b>	<b>Particulars</b>	<b>Annexure</b>
1.	Definition of Independent Director as per Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (LODR) Regulations, 2015.	Annexure –A
2.	Code of Conduct for Board Members and Senior Management.	Annexure –B
3.	Code for Independent Directors as per Section 149 (8) of the Companies Act, 2013. (Schedule IV)	Annexure –C

4.	Obligations with respect to Independent Directors - Regulation 25 of the SEBI (LODR) Reg. 2015.	Annexure -D
5.	Obligations with respect to employees including senior management, key managerial persons, directors and promoters- Regulation 26 of the SEBI (LODR) Reg. 2015.	Annexure -E

### **11. Termination:**

**11.1** You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice to the Board.

**11.2** Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of the Companies Act, 2013, listing regulations and the Articles of Association of the Company, from time to time in force. You will not be entitled to any compensation if the shareholders do not re-elect you at any time.

**11.3** Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company.

It is our pleasure to have you on Board, we are confident that your association, expertise and advice will immensely beneficial for the Company and Board.

Thanking you

With Best Regards,

**For GeeCee Ventures Limited**

\_\_\_\_\_  
Mr. \_\_\_\_\_

**Director**

**Din:** \_\_\_\_\_

**Place: Mumbai**

**Encl: As above**

**Accepted By**

\_\_\_\_\_  
Mr. / Ms. \_\_\_\_\_

**Independent Director**

**Din:** \_\_\_\_\_

**Place: Mumbai**

**ANNEXURE -A**

**CONDITIONS TO BE AN INDEPENDENT DIRECTOR AS PER AND SECTION 149 (6) OF THE COMPANIES ACT, 2013 AND REGULATION 16 (1) (B) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director,

(a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

(b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;

(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;

(c) who has or had no pecuniary relationship, other than remuneration as such director or having transaction not exceeding ten per cent. of his total income or such amount as may be prescribed,] or has or had no material pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

(d) who is not a non-independent director of any another company on the board of which any non-independent director of this Company is an independent director;

(e) none of whose relatives—

(i) is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:

Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two per cent. of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;

(ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;

(iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or

(iv) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent. or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii);]

(v) has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;

f) who, neither himself nor any of his relatives

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

Provided that in case of a relative who is an employee, the restriction under this clause shall not apply for his employment during preceding three financial years.

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent. or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company;

(g) who possesses such other qualifications as may be prescribed.

## CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

### Introduction

This Code of Conduct (hereinafter referred to as "the Code") has been framed and adopted by GeeCee Ventures Limited (hereinafter referred to as "the Company") with an intent to ensure adherence to highest business and ethical standards including compliance with the provisions of Regulation 46(2) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") including the circulars and amendments issued by SEBI and other statutory and regulatory authorities from time to time. This Code is derived from three interlinked fundamental principles, viz. good corporate governance, good corporate citizenship and exemplary personal conduct.

### Definitions

- a) **"Board" or "Board of Directors"** shall mean the Board of Directors of the Company.
- b) **"Company"** shall mean GeeCee Ventures Limited and its subsidiaries and shall also include any new corporate form it assumes in the future.
- c) **"Compliance Officer"** shall mean the Company Secretary of the Company and in his absence any senior officer, so designated by the Board for the purpose of compliance with the Code.
- d) **"Director"** shall mean a member of the Board.
- e) **"Listing Regulations"** shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- f) **"Senior Management"** shall mean officers/personnel of the Company who are members of the core management team excluding the Board of Directors and shall comprise all members of Management one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.

All other words and expressions used but not defined in this policy, but defined in the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

## Applicability

The Code applies to Directors and Senior Management of the Company.

The independent directors of the Company are subject to certain additional duties as laid down by the Companies Act, 2013 which are set out in Annexure - I of the Code.

The Code has been formulated and approved by the Board and is to be strictly observed by the Directors and Senior Management of the Company for the governance of good corporate practices. Any issue relating to the interpretation of the Code will be handled by the Board.

The Code is effective from 1<sup>st</sup> October, 2014 and has been amended at the meeting of the Board of Directors held on 22<sup>nd</sup> May, 2019.

The Code shall be posted on the website of the Company i.e. [www.geceeventures.com](http://www.geceeventures.com).

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## Code Of Conduct

### I. Board Members & Senior Management to comply with the following:

#### 1) Honesty & Integrity:

The Board of Directors and Senior Management shall observe the highest standards of ethical conduct, honesty, integrity, probity and fairness and shall work to the best of their ability and judgment. They shall act in utmost good faith and exercise due care, competence and diligence in performing their office duties. They shall maintain and help the Company in maintaining highest degree of Corporate Governance Practices

#### 2) Conflict of Interest:

The Board of Directors and Senior Management shall not engage in any activity, business or relationship, or accept employment or a position of responsibility with any other organization for remuneration or otherwise that is prejudicial to the interests of the Company and shall not allow personal interest to conflict with the interest of the Company. If any transactions which prima facie appear to be conflicting with the interest of the Company but are unavoidable, the Director or Senior Management involved in such transaction shall enter into such transaction only after proper and fullest disclosure to the Board.

#### 3) Company Assets/ Property:

The Board of Directors and Senior Management shall ensure that they use the Company's assets, properties, information and intellectual rights for official purpose only as per the terms of their appointment. They shall not exploit for their own personal gain, opportunities that are discovered through the use of Company's property, information or position.

The Board of Directors and Senior Management must make disclosures to the Board relating to all material financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company.

#### 4) Corporate Opportunities:

Corporate Business Opportunities means those opportunities, which are made available to the Company and which are known to the Directors / Senior Management due to the position held by them in the Company. The Directors / Senior Management shall not utilise such opportunities for their personal benefit. However once an opportunity is fully and disclosed to the Board and after consideration rejected by them then it ceases to be a Corporate Business Opportunity.

#### **5) Compliance with Laws, Rules & Regulations:**

The Board of Directors and Senior Management shall meticulously comply with all the prescribed safety & environment related norms and other applicable codes, laws, rules, regulations and statutes, where the Company operates, both in letter and spirit, which if not complied with may otherwise, disqualify him/ her from his/ her association with the Company.

Company cannot accept practices which are unlawful or may be damaging Company's reputation. Further they shall also comply with the various policies, guidelines and codes formulated by the Company in compliance with the Listing Regulations and other applicable provisions including the Company's policy on insider trading and procedures for fair disclosure.

Director and Senior Management shall not commit any offences involving moral turpitude or any act contrary to law or opposed to the public policy.

#### **6) Confidentiality of Information:**

The Board of Directors and Senior Management shall maintain confidentiality of information entrusted by the Company or acquired during performance of their duties and shall not use it for personal gain or advantage. They shall not communicate with any member of press or publicity media or any other outside agency on matters concerning the Company, except through the designated spokespersons or authorised otherwise.

#### **7) Insider Trading:**

The Board of Directors and Senior Management shall not derive benefit or assist others to derive benefit by giving investment advice on the basis of the access to and possession of insider / price sensitive information about the Company which is not in public domain. Directors and Senior Management shall also ensure compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time and shall confirm to comply with the Company's Code of Conduct for Prevention of Insider Trading and Fair Disclosure of Unpublished Price Sensitive Information with other regulations as may become applicable to them from time to time.

#### **8) Related Party Transactions:**

The Board of Directors and Senior Management shall in conformity with applicable legal provisions of the related party transactions falling under the purview of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 disclose the personal and/or financial interest in any business dealings concerning the Company and shall declare information about their relatives (spouse, dependent children and dependent parents) including transactions, if any, entered into with them so as to enable the other Board Members to take an informed decision.

**9) Gifts & Donations:**

The Board of Directors and Senior Management shall not receive or offer, directly or indirectly, any gifts, donations, remuneration, hospitality, illegal payments and comparable benefits which are likely to obtain business (or uncompetitive) favours or influence any business decision for the conduct of business. Nominal gifts of commemorative nature, for special events / occasions could, however, be accepted or offered.

**10) Other Directorships:**

The Board of Directors shall promptly disclose at the time of their appointment and subsequently whenever there is a change, their interest in other companies and body corporates in compliance with applicable laws.

The Directors and Senior Management shall also promptly disclose their relationships with other individuals, firms or body corporate wherever such relationship may affect their independence of judgement while performing their duties and responsibilities towards the Company.

**11) Other Obligations:**

The Board of Directors and Senior Management shall,

- a. dedicate sufficient time, energy and attention to uplift and better the Company's performance.
- b. endeavour to attend all the meetings (including committee meetings, if any), proceedings and occasions as are required of the person for the benefit, growth and development of the Company.
- c. not make any statement or any other commitment without proper authority or with full knowledge that it is false
- d. never compromise the interest of the Company

**12) Amendment to the Code/ Review:**

The code is subject to modification / amendment from time to time. Any amendment to the provision(s) of the Code must be approved by the Board. This Code of Conduct will be reviewed by the Board at regular intervals.

### **13) Waivers**

Any waiver of any provision of this Code for a Director or Senior Management must be placed for approval before the Company's Audit Committee of the Board of Directors.

### **14) Declaration for Compliance with the Code :**

The Board of Directors and Senior Management shall affirm compliance with this Code on an annual basis and shall sign a confirmation to that effect as per the format set out in Annexure II.

The annual report of the Company shall carry a declaration signed by the CEO/Whole Time Director of the Company stating that the members of the Board and Senior Management have affirmed compliance with the Code.

### **15) Violations of the Code**

It is ethical responsibility of Directors and Senior Management to abide by and enforce the Code. Any perceived violation of the Code by any Director or Senior Management personnel should be reported to the Chairman of the Board or the chairman of Audit Committee. All reported violations would be appropriately investigated and action will be taken on the conclusion of the enquiry by the Board. Such action may be taken in various forms, viz. a verbal warning or written reprimand, dismissal or referral for criminal prosecution or such action as may be deemed fit in the circumstances of each case.

**II. In addition to the above, the Independent Directors of the Company shall also abide by the duties as laid down as under:-**

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 members;
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.

**Annexure II**

**Affirmation by Director/Senior Management with Code of Conduct**

As a Director / Senior Management, I hereby acknowledge that I have received and read the Code of Conduct of the Company. I understand that it is my responsibility to consult the Compliance Officer if I have any questions regarding the provisions of the Code of Conduct and I shall comply with the Code of Conduct in true spirit.

I understand and agree that as a Director / Senior Management it is my responsibility to promote the application of the Code of Conduct.

Signature :  
Name :  
Designation :  
Employee No. / DIN :  
Date :

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**SCHEDULE IV**  
**[See Section 149(8)]**  
**CODE FOR INDEPENDENT DIRECTORS**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

**I. Guidelines of professional conduct:**

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 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;
- (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 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.

**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 members;
- (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) 1["act within their 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.

#### IV. Manner of appointment:

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure 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.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, 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.
- (4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
  - (a) the term of appointment;
  - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - (d) provision for Directors and Officers (D and O) insurance, if any;
  - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
  - (f) the list of actions that a director should not do while functioning as such in the company; and
  - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

#### V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

#### VI. Resignation or removal:

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.
- (3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

#### VII. Separate meetings:

- (1) The independent directors of the company shall hold at least one meeting in a financial year, without



the attendance of non-independent directors and members of management;

(2) All the independent directors of the company shall strive to be present at such meeting;

(3) 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.

VIII. Evaluation mechanism:

(1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

(2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

#### **ANNEXURE - D**

#### **OBLIGATIONS WITH RESPECT TO INDEPENDENT DIRECTORS – AS PER REGULATION 25 OF THE SEBI (LODR) REG. 2015**

25. (1) No person shall be appointed or continue as an alternate director for an independent director of a listed entity with effect from October 1, 2018.

(2) The maximum tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard, from time to time.

(3) The independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.

(4) The independent directors in the meeting referred in sub-regulation (3) shall, *inter alia*-

(a) review the performance of non-independent directors and the board of directors as a whole;

(b) review the performance of the chairperson of the listed entity, 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 management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

(5) An independent director shall be held liable, only in respect of such acts of omission or commission by the listed entity which had occurred with his knowledge, attributable through processes of board of directors, and with his consent or connivance or where he had not acted diligently with respect to the provisions contained in these regulations.

(6) An independent director who resigns or is removed from the board of directors of the listed entity shall be replaced by a new independent director by listed entity at the earliest but not later than the immediate next meeting of the board of directors or three months from the date of such vacancy, whichever is later. Provided that where the listed entity fulfils the requirement of independent directors in its board of directors without filling the vacancy created by such resignation or removal, the requirement of replacement by a new independent director shall not apply.

(7) The listed entity shall familiarise the independent directors through various programmes about the listed entity, including the following:

- (a) nature of the industry in which the listed entity operates;
- (b) business model of the listed entity;
- (c) roles, rights, responsibilities of independent directors; and
- (d) any other relevant information.

(8) Every independent director shall, at the first meeting of the board in which he participates as a director and thereafter at the first meeting of the board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, submit a declaration that he meets the criteria of independence as provided in clause (b) of sub-regulation (1) of regulation 16 and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

(9) The board of directors of the listed entity shall take on record the declaration and confirmation submitted by the independent director under sub-regulation (8) after undertaking due assessment of the veracity of the same.

(10) With effect from October 1, 2018, the top 500 listed entities by market capitalization calculated as on March 31 of the preceding financial year, shall undertake Directors and Officers insurance ('D and O insurance') for all their independent directors of such quantum and for such risks as may be determined by its board of directors.]

#### **ANNEXURE - E**

#### **OBLIGATIONS WITH RESPECT TO EMPLOYEES INCLUDING SENIOR MANAGEMENT, KEY MANAGERIAL PERSONS, DIRECTORS AND PROMOTERS - AS PER REGULATION 25 OF THE SEBI (LODR) REG. 2015**

**26. (1)** A director shall not be a member in more than ten committees or act as chairperson of more than five committees across all listed entities in which he is a director which shall be determined as follows:

(a) the limit of the committees on which a director may serve in all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded;

(b) for the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered.

(2) Every director shall inform the listed entity about the committee positions he or she occupies in other listed entities and notify changes as and when they take place.

(3) All members of the board of directors and senior management personnel shall affirm compliance with the code of conduct of board of directors and senior management on an annual basis.

(4) Non-executive directors shall disclose their shareholding, held either by them or on a beneficial basis for any other persons in the listed entity in which they are proposed to be appointed as directors, in the notice to the general meeting called for appointment of such director.

(5) Senior management shall make disclosures to the board of directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the listed entity at large.

Explanation. - For the purpose of this sub-regulation, conflict of interest relates to dealing in the shares of listed entity, commercial dealings with bodies, which have shareholding of management and their relatives etc.

(6) No employee including key managerial personnel or director or promoter of a listed entity shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of such

listed entity, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders by way of an ordinary resolution, Provided that such agreement, if any, whether subsisting or expired, entered during the preceding three years from the date of coming into force of this sub-regulation, shall be disclosed to the stock exchanges for public dissemination.

Provided further that subsisting agreement, if any, as on the date of coming into force of this sub-regulation shall be placed for approval before the Board of Directors in the forthcoming Board meeting: Provided further that if the Board of Directors approve such agreement, the same shall be placed before the public shareholders for approval by way of an ordinary resolution in the forthcoming general meeting. Provided further that all interested persons involved in the transaction covered under the agreement shall abstain from voting in the general meeting.

Explanation - For the purposes of this sub-regulation, 'interested person' shall mean any person holding voting rights in the listed entity and who is in any manner, whether directly or indirectly, interested in an agreement or proposed agreement, entered into or to be entered into by such a person or by any employee or key managerial personnel or director or promoter of such listed entity with any shareholder or any other third party with respect to compensation or profit sharing in connection with the securities of such listed entity.]