



## **Terms and conditions for the appointment of a Non-Executive Independent Director of Joyalukkas India Limited**

### **1. Appointment**

1.1 The appointment of a Non-Executive Independent Director is subject to the approval of the shareholders of the Company, in the ensuing Annual General Meeting of the Company and on the said approval of the members of the Company and he will hold the office for a term of 5 years.

1.2 The appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013.

1.3 The term 'Independent Director' should be construed as defined under the Companies Act, 2013.

1.4 The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the Listing Agreement. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company.

1.5 The appointee is considered to be an Independent Director and will be identified as such in the Annual Report and other documentations of the Company. If circumstances change, and he believes that his independence may be in doubt or may be in question, he should bring this matter to urgent attention of the Board as soon as possible.

### **2. Committees**

The Board of Directors may, if it deems fit, invite the Independent Director for being appointed on one or more existing Board Committees or any such Committee that may be set up in the future. His appointment on such Committee(s) will be subject to the applicable regulations.

### **3. Time Commitment**

3.1 As a Independent Director he is expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance. The Board meets at least four times in a year. The Audit Committee also meets at least four times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee meetings which are convened as per the requirements. An Independent Director will be expected to attend meetings of the Board of Directors, meetings of Committees to which he may be appointed and Shareholders' meetings and to devote such time to his duties, as appropriate for him, to discharge his duties effectively.

3.2 By accepting the appointment, an Independent Director confirms that he is able to allocate sufficient time to meet the expectations of his role as an Independent Director to the satisfaction of the Board.

#### 4. Role and Duties

The role and duties of the appointee will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- I. He shall act in accordance with the Company's Articles of Association.
- II. He 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 interest of the Company.
- III. He shall discharge his duties with due and reasonable care, skill and diligence.
- IV. He shall not involve himself in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company. Please refer to clause 7 for full explanation on conflict of interest.
- V. He shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners or associates.
- VI. He shall not assign his office as Director and any assignment so made shall be void.
- VII. He shall abide by the 'Code of Independent Director' as outlined in Schedule IV to Section 149 (8) of the Companies Act, 2013 and duties of Directors as provided in the Companies Act, 2013 (including Section 166).
- VIII. He will also be responsible for providing guidance in the area of your expertise.

In addition to the above requirements applicable to all Directors, the role of the Non- Executive Director has the following key elements:

**Strategy:** Non-Executive Directors should constructively contribute and help to develop proposals on strategy;

**Performance:** Non-Executive Directors should scrutinize the performance of management in meeting agreed goals and objectives;

**Risk:** Non-Executive Directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;

**People:** Non-Executive Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning;

**Reporting:** Non-Executive Directors take responsibility for the processes for accurately reporting on performance and the financial position

**Compliance:** Non-Executive Directors should keep governance and compliance with the applicable legislation and regulations under review.



## **5. Status of Appointment**

5.1 This letter shall not constitute a contract of employment. He will be paid remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time. Further, he may also be paid remuneration by way of commission as may be recommended by the Board of Directors of the Company, within the overall ceiling limits approved by the Shareholders from time to time.

5.2 The sitting fees presently paid to the Non-Executive Independent Director is Rs.50,000/- per meeting of the Board or a Committee thereof.

## **6. Reimbursement of Expenses**

In addition to the remuneration described in paragraph 5, the Company will during the period of his appointment, reimburse him for travel, hotel and other incidental expenses that may be incurred by him in the performance of his role and duties.

## **7. Conflict of Interest**

7.1 It is accepted and acknowledged that a Non-Executive Independent Director may have business interests other than those of the Company. As a condition to his appointment, he is required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of his appointment and from time to time in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder.

7.2 In the event that his 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 judgment that he is independent, this should be disclosed to both the Chairman and the Secretary.

## **8. Confidentiality**

All information acquired during his appointment is confidential to the Company and should not be released, either during his appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, he shall surrender any documents and other materials made available to him by the Company.

## **9. Evaluation**

The Company has adopted a policy on Board Evaluation. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. As per the Policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. His appointment and Re-appointment on the Board shall be subject to the outcome of the yearly evaluation process.

## **10. Insurance**

Our Company has Directors' and Officers' liability insurance and it is intended that the Company will assume and maintain such cover for the full term of the appointment.

## **11. Independent Professional Advice**

There may be occasions when the Committee of Directors considers that it needs professional advice in furtherance of his duties as a Director and it will be appropriate to consult independent advisers at the Company's expense and the Company will reimburse the cost of expenditure incurred if any, in accordance with the Company's policy.

## **12. Disclosure of Interest**

The Independent Director is required to disclose his 'concern or interest' in any company or companies or bodes corporate, firms, or other Association of Individuals, which shall include the shareholding in such manner in accordance with the Companies Act, 2013, the Rules made there under.

## **13 Termination**

A. An Independent Director may resign from his position at any time and should he wish to do so, he is requested to serve a reasonable written notice on the Board and also inform the Registrar of Companies, in prescribed form.

b. Continuation of his appointment is contingent on his getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. He will not be entitled to the compensation, if the shareholders do not re-elect him at any time.

c. His appointment may also be terminated in accordance with the provisions of Companies Act, 2013 and rules made there under and the Articles of Association of the Company from time to time in force.