

## **The terms and conditions of appointment of Independent Directors of the Company in accordance with the requirements of Schedule IV to the Companies Act, 2013**

### Terms and Conditions of appointment of Independent Directors

#### **1. Term**

Independent directors namely Mr. V. V. Ranganathan, Mrs. Rita Bhagwati and Mr. Jagdish Khattar have been appointed as a non-executive Independent Director on the Board of Directors of Indus Towers Limited, not liable to retire by rotation, for a period of three (3) years with effect from 17 October 2014, (the “Term”), unless terminated earlier.

#### **2. Role and Duties of Independent Directors**

Role and duties of Independent directors include those as are generally to be performed by a non-executive Independent Director including duties of fiduciary nature, which are as under:

- I Independent directors shall act in good faith to promote the objects of the Company for the benefit of its members as a whole and in the best interest of the Company, its employees, the shareholders, the community and for the protection of environment;
- II Independent directors shall discharge their duties with due & reasonable care, skill and diligence and shall exercise independent judgment;
- III Independent directors shall not involve themselves in a situation in which they may have a direct or indirect interest that conflict, or possibly may conflict, with the interest of the Company;
- IV Independent directors shall not achieve or attempt to achieve any undue gain or advantage either for themselves or for their relatives, partners or associates;
- V Independent directors shall not assign their office & any such assignment shall be void; and
- VI Independent directors will abide by the ‘Code for Independent Directors’ as per Section 149(8) read with Schedule IV of the Companies Act, 2013.

Key elements of Independent director’s role include (i) Strategy (ii) Risk Management including integrity of financial information and robustness of financial controls and systems (iii) Compliance with the applicable laws, corporate governance & conformity of our practices to accepted norms (iv) Accountability including for responsibility statements stated in Directors’ Responsibility Statement; (v) Performance evaluation and appropriate levels of remuneration of executive directors, if any, (vi) succession planning; and (vii) Accurate reporting on performance and the financial position of the Company.

#### **3. Broad Expectations**

Independent directors are 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 corporate governance and financial probity.

The Board may appoint independent directors on one or more of its Committees. Appointment on such Committee(s) will be subject to the terms of reference of such committee(s). Independent directors will be expected to attend meetings of Board, its Committee/s (to which independent directors may be appointed) & shareholders and devote sufficient time for discharge of their duties effectively.

#### **4. Status of Appointment and Remuneration**

As Independent directors have been appointed as non-executive independent director, they will not be employees of the Company and their appointment shall not constitute a contract of employment.

Independent directors will be paid remuneration as may be determined by the Board/ Shareholders from time to time, considering various factors such as attendance and contribution at Board & its Committee meetings, industry practices, performance evaluation and performance of the Company.

Their remuneration is governed by the Companies Act, 2013 and the shareholders' approval dated December 19, 2014. Independent directors are entitled to the sitting fees of Rs. 100,000/- for attending each meeting of the Board of Directors in which quarterly results are considered. Within the overall limit approved by the shareholders, the Board may also determine the remuneration payable by way of commission on net profit from time to time.

Further, the Company may pay or reimburse to the independent directors such expenditure, as may have been incurred by them while performing their role as an Independent Director of the Company such as return air fare, boarding & lodging, local transportation and such other legitimate expenses which are incidental/ ancillary to effectively perform the duty as an independent director of the Company and which the concerned director would not have incurred had he not been the director of the Company e.g. courier charges, telephone expenses etc.

#### **5. Code of Conduct/ Business Ethics**

Independent directors will comply with Indus Code of Conduct and other policies as applicable from time to time. They will observe the following:

- I always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the business & operations of the Company,
- II comply with all applicable laws,
- III safeguard the confidentiality of all information. Unless specifically authorized by the Chairman, they shall not disclose company and business information to public or the media, or any other party,
- IV not engages in any Insider Trading as defined in Companies Act, 2013 and shall not disclose or use any unpublished price sensitive information for personal or other gains.

## **6. Disclosures, other directorships and business interests**

Independent directors agree that upon becoming aware of any potential conflict of interest with their position as Independent Director, they shall promptly disclose the same to the Chairman and the Company Secretary. They have confirmed that currently, there is no such conflict of interest arising from existing directorship(s) & business interest(s).

During the term, they agree to promptly provide a declaration of independence under Section 149(7) of the 2013 Act, every year.

## **7. Performance Appraisal / Evaluation Process**

Their performance may be evaluated annually as per the evaluation criteria and procedure for evaluation as determined by the Nomination and Remuneration Committee so as to improve the overall effectiveness of the Board/ Committee(s).

## **8. Changes of personal details**

Independent directors shall promptly intimate the Company Secretary and the Registrar of Companies (ROC) in the prescribed manner, of any change in address or other contact and personal details provided to the Company/ ROC.

## **9. Confidentiality**

Any confidential information should not be released, either during the term of appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless such disclosure is required by law. Independent directors shall return any documents and other materials made available to them by the Company.

Independent directors should avoid making any statements in media with regard to the Company's financial, operational and other business information, which is not already in public domain, without prior clearance from the Chairman.

## **10. Termination**

Appointment of independent directors shall be liable to be terminated if they suffer any disqualification as mentioned in Sec.164 of the Companies Act 2013 or if they are in material breach of any law or for violation of provisions of the Indus Code of Conduct or any term of their appointment. Office of independent director shall also stand vacated automatically under circumstances specified in Section 167 of the Companies Act 2013.

Independent directors may resign from the directorship of the Company stating the reasons for resignation by giving a notice in writing to the Company and also to Registrar of Companies (ROC). The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by them in the notice, whichever is later.

If at any stage during the term, there is any circumstance or change that may affect their status of independence including as envisaged in Section 149(6) of the 2013 Act, they agree to promptly submit their resignation to the Company with effect from the date of such change. The Company may also terminate their appointment forthwith in such circumstances.

## **11. Co-operation**

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on the part of independent directors during their term, they agree to render all reasonable assistance and co-operation to the Company and provide such information and documents as are necessary and requested by the Company or its counsel.

## **12. Miscellaneous**

- I Letter of appointment for independent directors represent entire understanding and constitute the whole agreement in relation to their appointment and supersedes any previous agreement or understanding, if any, between them and the Company with respect thereto.
- II The Company may conduct induction program which may include roles and responsibilities, company's vision, strategic direction, core values, ethics, familiarization with financial matters, policies and business operations.
- III No waiver or modification of terms of appointment shall be valid unless made in writing and signed by independent directors and the Company.
- IV Letter of appointment along with their detailed profile or other details, as may be deemed necessary, may be disclosed including on the website of the Company.
- V The Company may take such insurance policies including directors and officer's liability insurance and the coverage shall be subject to the terms and conditions of the policy as may be in force from time to time.
- VI Their appointment is subject to the provisions of the applicable laws and the Articles of Association of the Company from time to time.