

## **RATNABALI CAPITAL MARKETS LIMITED**

### **Terms and conditions of Appointment of Independent Directors**

<b>Name of the Independent Director</b>	<b>From</b>	<b>To</b>
1. Mr. J. P. Kundra	23 <sup>rd</sup> August 2014	31 <sup>st</sup> March 2019
2. Mr. Harsh Vardhan	23 <sup>rd</sup> August 2014	31 <sup>st</sup> March 2019

The broad terms and conditions of their appointments as Independent Directors of the Company are reproduced hereunder:

#### **1. Appointment**

- 1.1 They will be appointed as a Non-Executive Independent Director on the Board of Directors of the Company for an initial term of five years from the date of the 20<sup>th</sup> Annual General Meeting (AGM) of the Company held on 23<sup>rd</sup> August, 2014 upto 31<sup>st</sup> March, 2019, unless terminated earlier or extended, as per provisions of the terms and conditions or applicable laws (Laws).
- 1.2 The term Independent Director should be construed as defined under the Companies Act 2013.
- 1.3 The Company has adopted the provisions with respect to appointment and the tenure of Independent Director which is consistent with the provisions of Companies Act 2013. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. As an Independent Director they would not be liable to retire by rotation.
- 1.4 The appointment is subject to the provisions of the Articles of Association of the Company, the Companies Act, 2013, the Rules made thereunder. Their appointment is also subject to the maximum permissible Directorship that one can hold as per the provisions the Companies Act 2013.
- 1.5 Their re-appointment would be considered by the Board based on outcome of performance evaluation process and they are continuing to meet the independent criteria.

#### **2. Committees**

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

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### 3. Time Commitment

3.1 As an Independent Director they 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 financial probity and governance. The Board meets atleast four times in a year. The Audit Committee also meets atleast four times in a year. Besides, there are other Committee meetings which are ordinarily convened and held as per the business needs of the Company. They will be expected to attend the Board and Board Committees to which they may be appointed and Shareholders meeting and to devote such time to their duties, as appropriate for them to discharge their duties effectively. Ordinarily, all meetings are held in Kolkata.

### 4. Role and Duties

4.1 Their role and duties 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. They shall act in accordance with the Articles of Association of the Company.
- II. They shall act in good faith in order to promote the objects of the Company for the benefits of its members as a whole, and in the best interest of the Company.
- III. They shall discharge their duties with due and reasonable care, skill and diligence and shall exercise independent judgement.
- IV. They shall not involve themselves in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflicts, with the interest of the Company.
- V. They shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.
- VI. They shall not assign their office as Director and any assignments so made shall be void.

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

- i. **Strategy:** To constructively challenge and help develop proposals on strategy.
- ii. **Performance:** To scrutinize the performance of management in meeting agreed goals and objectives;

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- iii. **Risk:** To satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
- iv. **People:** To determine appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, recommend removal of Executive Directors and in succession planning;
- v. **Reporting:** To take responsibility for the processes for accurately reporting on performance and the financial position of the Company; and
- vi. **Compliance:** To review the Company's compliance with the applicable legislation and regulations and the conformity of Company's practices to accepted norms.

### **5. Independent Advice**

- 5.1 They may seek independent professional advice with the approval of the Chairman of the Board of Directors, at the Company's expenses, on any matter connected with the discharge of their responsibility as an Independent Director.

### **6. Liabilities**

- 6.1 As per Section 149(2) of the Act, an independent director shall be held liable, only in respect of such acts or omission or commission by a company which had occurred with this knowledge attributable through Board processes, and with his/her consent or connivance or where he has not acted diligently.

### **7. Status of Appointment**

- 7.1 Their relationship with the Company shall be that of an office holder and not for a contract of the employment and the appointment letter issued to them shall not constitute a contract of employment.

### **8. Induction**

- 8.1 The Company may, if required, conduct formal induction programme for its Independent Directors wherein they will be invited to attend an initial induction session and, thereafter, ongoing training and familiarization sessions, including briefings from management.

### **9. Remuneration and Reimbursement of Expenses**

- 9.1 They will be paid such remuneration by way of sitting fees for meeting of the Board and its Committees as may be decided by the Board and/or the members, as the case may be, from time to time.

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- 9.2 In addition to the above, the Company may pay or reimburse them such fair and reasonable expenditure, as may be incurred by them while performing their role as an Independent Director of the Company including for travel, hotel and other incidental expenses incurred by them for participation in the Board's and other meetings.

### **10. Conflict of Interest**

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

### **11. Disclosure of Interest**

- 11.1 During the term, they should agree to notify the company promptly about any change in their directorship and provide such disclosures and information as may be required under the applicable laws. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record their interest appropriately and the records of the Company are updated. A general notice that they are interested in any contracts with a particular person, firm or company is acceptable.

### **12. Dealing in Shares**

- 12.1 An Independent Director, neither himself nor through any of his relatives together shall hold 2% or more of the total voting power of the Company.

### **13. Evaluation**

- 13.1 The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.
- 13.2 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.

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### **14. Confidentiality**

- 14.1 All information acquired during their appointment is confidential to the Company and should be released as required by law or by the rules of any stock exchange or regulatory body. On reasonable request, they shall surrender any documents and other materials made available to them by the Company.
- 14.2 However, the company will be entitled to disclose or file to the extent applicable, a copy of their appointment letter and their particulars (including their detailed profile) to or with the statutory or regulatory authorities and stock exchanges, as may be required in pursuance of the Laws, regulations, and requirement of stock exchanges. Such disclosure would include hosting / unloading / display of their aforesaid information including their appointment letter on the website of the Company.

### **15. Discontinuation**

- 15.1 Their directorship on the Board may cease or terminate in accordance with Laws and on the grounds of termination as mentioned under the Companies Act, 2013.
- 15.2 They may resign from their position at any time and should they wish to do so, they are requested to serve a reasonable written notice on the Board.
- 15.3 Upon termination or their resignation for any reason, they will not be entitled to any damages for loss of office.

### **16. Governing Law**

The agreement of their appointment is governed by and will be interpreted in accordance with Indian law and their engagement shall be subject to the exclusive jurisdiction of the Indian courts.