



## **INDIA EXPOSITION MART LTD**

### **TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS OF THE COMPANY**

*[Pursuant to the provisions of Schedule IV to the Companies Act, 2013]*

The appointment of Independent Director(s) of the Company is approved at the meeting of the shareholders. The Board ensures that 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 and a statement to that effect is included in the explanatory statement attached to the notice of the meeting.

The independent director shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to Section 149(8) of the Companies Act and duties of directors as provided in the 2013 Act. The broad terms and conditions of re-appointment of Independent Directors of the company i.e. Mr. Sudhir Tyagi, Mr. Ravinder Kumar Passi and Mr. Raj Kumar Malhotra are as under:

#### **1. Appointment**

- a) The appointment of the Independent Directors is for a term of three years from date of appointment till the conclusion of 20<sup>th</sup> Annual General Meeting and they shall not be liable to retirement by rotation
- b) The terms of Independent Director shall be in accordance with the provisions of the Companies Act 2013, and other applicable laws.
- c) The Independent Directors may be required to serve on one or more Board Committees as may be decided by the Board from time to time. The role of these Board committees would be such as may be determined by the Board from time to time.

#### **2. Committees**

The independent Directors may be required to serve one or more committees of Board as may be decided by the Board from time to time. Currently, there are nine Board committees including Statutory committees as mandated vide Companies Act, 2013 i.e. Audit Committee, Corporate Social Responsibility committee, Nomination and Remuneration committee, Stakeholder relationship committee, Marketing Committee, Mart Promotion Committee, Project Execution Committee, Operations and Maintenance Committee, and Solo Exhibition Committee. The Board of Directors may invite the Independent Directors for being appointed on any Committee(s) that may be set up in the future.

#### **3. Professional Code of Conduct**

The Independent Director shall:



- a) uphold ethical standards of integrity and probity;
- b) act objectively and constructively while exercising their duties;
- c) exercise their responsibilities in a bona fide manner in the interest of the company;
- d) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- e) not allow any extraneous considerations that will vitiate their 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 their 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 their independence;
- h) ensure that if circumstances arise under which they may lose their independence, they will immediately inform the Board accordingly;
- i) assist the company in implementing the best corporate governance practices.

#### **4. Roles, duties and responsibilities**

- a) As members of the Board, Independent Director along with other Directors will be collectively responsible for meeting the objectives of the Board which include:
  - Requirements under the Companies Act, 2013
  - Accountability under the Director's Responsibility Statement
- b) They shall abide by the 'Code For Independent Directors' as outlined in Schedule IV to section 149(8) of the 2013 Act as amended from time to time, and duties of directors as provided in the 2013 Act (including Section 166)
- c) The Independent Directors shall provide guidance in their area of expertise to take decisions objectively and solely in the interests of the Company; and
- d) Determine appropriate levels of remuneration of directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of directors, key managerial personnel and senior management;

#### **5. Time Commitment**

By accepting the appointment, the Independent Director confirms that they shall allocate and devote such time as is prudent for proper performance of their role as an Independent Director of the Company.

#### **6. Other obligations and compliances**

The Independent Director will execute / confirm with respect to the following documentation on a periodic basis:



- Confirmation that they are not disqualified to act as a Director of the Company in terms of the Companies Act, 2013;
- Declaration of Independence in terms of the Companies Act, 2013, particularly section 149(6);
- Code of Conduct for Independent Directors as per Schedule IV of the Companies Act, 2013;
- Disclosure of change in interest in companies where he is appointed / ceased as a Director or Key Managerial Personnel;
- Confirmation that his directorships in companies do not conflict with the interest of the Company

## **7. Remuneration**

The Independent Directors will be entitled to sitting fees for attending meetings of the Board and committees thereof.

Presently, the sitting fees as determined by the Board, are Rs. 20,000/- for attending each meeting of the Board and Rs. 10,000 for attending each meeting of the committees of the Board. In addition to the compensation as above, the Company will reimburse the official travel expenses, hotel expenses, and all other reasonable out of pocket expenses borne by the Independent Director for participating in Board and other Committee meetings and other Business meetings.

## **8. Liability**

An Independent Director will be liable only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board process, and with his consent or connivance or where he had not acted diligently.

## **9. Review Process**

The performance of individual Directors and the whole Board and its committees is evaluated annually. The Independent Director will have to make himself available for carrying out the annual / periodic performance review of himself and the Board committees where he is a part thereof for review purpose.

Independent Director shall extend their contribution to review of the Board of Directors individually as well as for its various committees on behalf of / as desired by the Board of Directors on an annual / periodic time frame. If, in the interim, there are any matters which cause an Independent Director concern about his role, they can discuss them with the Chairman as soon as it is appropriate.

## **10. Disengagement**

They may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. 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. However, their directorship on the Board of the Company shall



cease in accordance with law. The Company may disengage Independent Directors prior to completion of Term (subject to compliance of relevant provisions of the 2013 Act) upon :

- a) Violation of any provision of the Code of Conduct
- b) Upon the director failing to meet the criteria for independence as envisaged in Section 149(6) of the 2013 Act.

## **11. Confidentiality and Non-Disclosure**

The Independent Director will have access to confidential information, whether or not the information is marked or designated as “confidential” or “proprietary”, relating to the Company and its business including legal, financial, technical, commercial, marketing and business related records, data, documents, reports, etc., client information, intellectual property rights (including trade secrets), (“Confidential Information”).

The Independent Director shall use reasonable efforts to keep the information as confidential and to not disclose to any third party, such Confidential Information. If any Confidential Information is required to be disclosed by them in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure will be, to the extent possible, with the prior consent of the Board.

## **12. Governing Law**

The Appointment and the terms are governed by the laws of India.

## **13. Authority**

The letter of appointment will be issued under the authority of the Board.

***Note: These are general terms and conditions of appointment of Independent Directors which are subject to modification/ amendment.***