

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

The terms and conditions of appointment of the following Independent Directors are subject to the extant provisions of the (i) applicable laws, including the Companies Act, 2013 ('**2013 Act**') and Clause 49 of the Listing Agreement (as amended from time to time) and (ii) Articles of Association of the Company.

1. Mr. Kalpesh Mehta
2. Mrs. Meenu Maheshwari

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

## **1. Appointment**

1.1 You will be appointed as a Non-Executive Independent Director on the Board of Directors of KCSL with effect from \_\_\_\_\_. Your appointment is subject to approval of the Board of Directors, election and appointment by the Shareholders as per under the provisions of the Companies Act, 2013. Your appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013.

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 tenure of Independent Directors which is consistent with the 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. The Company is at liberty to disengage Non Executive Independent Director earlier subject to compliance of relevant provisions of Companies Act, 2013.

## **2. Committees**

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

### 3. Time Commitment

3.1 As a Non-Executive Director you 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 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 meetings which are ordinarily convened twice in a year. You will be expected to attend Board, Board Committees to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively. Ordinarily, all meetings are held in Ahmedabad.

3.2 By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

### 4. Role and Duties

Your 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. You shall act in accordance with the Company's Articles of Association.
- II. 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 interest of the Company.
- III. You shall discharge your duties with due and reasonable care, skill and diligence.
- IV. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company. Please refer to clause 6 for full explanation on conflict of interest.
- V. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- VI. You shall not assign your office as Director and any assignments so made shall be void.

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 challenge and help 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 of KCSL; and

**Compliance:** Non-Executive Directors should keep governance and compliance with the applicable legislation and regulations under review and the conformity of KCSL practices to accepted norms.

## **5. Status of Appointment & Directors Fees**

- 5.1 You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid such remuneration, by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board, if any and approved by the Shareholders, if require from time to time. Further, you will also be paid remuneration by way of commission as may be approved by the Board and the Shareholders from time to time.
- 5.2 You shall be paid sitting fee as may be decided by the Board from time to time for attending each meeting of the Board as well as Committee meetings attended by you, as per the provisions of Section 197 of Companies Act, 2013 and articles of Association of the Company.
- 5.3 The Company shall reimburse you all travelling, hotel and other incidental expenses properly and reasonably incurred by you in the performance of your role and duties as per provisions of Companies Act, 2013 in conjunction with Company rules and policies.

## **6. Conflict of Interest**

- 6.1 It is accepted and acknowledged that you may have business interests 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 judgment that you are independent, this should be disclosed to both the Chairman and the Secretary.

## **7. Confidentiality and Access to Company Records**

Under company law, directors have a right to access to company's documents and records, including financial records.

Any confidential information which may come to your knowledge in the performance of your duties as director of the company must not be divulged, except so far as:

- a. may be necessary in connection with the proper performance of your duties to the company;
- b. the company may from time to time authorize you to disclose such information as may be required by you with the condition that you will take all reasonable precautions as may be necessary to maintain the secrecy and confidentiality of all confidential information in the company; or
- c. you may be required by law to disclose.

All information acquired during your appointment is confidential to KCSL and should not be released, either during your 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, you shall surrender any documents and other materials made available to you by KCSL.

## **8. Induction & Training**

Where possible, directors will be encouraged to attend special training courses by various professional bodies to ensure that directors are refreshed and equipped to perform their role in the highest standards and performance possible. You should feel free to request any further information which you require, at any time.

## **9. Review**

The performance of individual directors, the whole board and its committees is evaluated annually. If, in the interim, there are any matters which cause you concern about your role you should discuss them with the chief executive officer or the senior independent director as soon as you can.

## **10. Insurance**

The Company may obtain a Directors' and Officers' liability insurance policy for you. Details of the same will be provided by the Company as and when such policy is taken by the company.

## **11. Independent Professional Advice**

There may be occasions when you consider that you need professional advice in furtherance of your duties as a Director and it will be appropriate for you to consult independent advisers at the Company's expense. The Company will reimburse the full cost of expenditure incurred in accordance with the Company's policy.

## **12. Disclosure of Interest**

The Company must include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. 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 your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

## **13. Termination**

- a. 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 on the Board.
- b. Continuation of your appointment is contingent on your 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. You will not be entitled to compensation if the shareholders do not re-elect you at any time.
- c. Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

## **14. Governing Law**

This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts. If you are willing to accept these terms of appointment relating to your appointment as a non executive Independent Director of Krishna Capital & Securities Limited, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.