

EXICOM TELE-SYSTEMS LIMITED

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

{Pursuant to the provisions of Schedule IV to the Companies Act, 2013 (“The Act”)}

The broad terms and conditions of appointment of Independent Directors (“ID”) are:

1. APPOINTMENT

- The Company may engage ID as per the provisions of Companies Act, 2013.
- An ID shall not be liable to retire by rotation.
- Re-appointment at the end of the Term shall be made as per the Nomination and Remuneration Policy and subject to the approval of the shareholders
- The directors may be requested to be a member / Chairman of any one or more Committees of the Board which may be constituted from time to time.

2. EXPECTATIONS, ROLES, FUNCTIONS AND DUTIES

- ID is expected to bring objectivity and independence of view to the Board’s discussions and to help provide the Board with effective inputs in relation to the Company’s strategy, performance and risk management as well as ensuring high standards of financial probity and corporate governance. ID is also expected to observe and comply with applicable laws, the charter documents of the Company and the rules, regulations and policies of the Company, in relation to his/her directorship and the business of the Company.
- The role, functions and duties of ID will be as provided under the applicable law, including the Act and in conformity with Section 149(8) read with Schedule IV of the Act, including in relation to attendance of meetings, maintenance of confidentiality, safeguarding the interests of the stakeholders, bringing objective judgement, asking clarifications, etc.
- In addition, the conduct of ID will be governed by applicable law, including the guidelines for professional conduct set out under the Code of Independent Directors, as provided in Section 149(8) read with Schedule IV of the Act, the duties of directors as set out under Section 166 of the Act

- Responsibilities: Independent directors will have the same general legal responsibilities to the Company as that of any other director. The Board, as a whole, is collectively responsible for ensuring the success of the Company by directing and supervising the Company's affairs. The broad responsibilities of Independent directors may be summarised as under:
- i) independent directors to constructively contribute to the development of the Company strategy;
 - ii) independent directors to oversee the performance of the Management in meeting agreed goals and objectives;
 - iii) independent directors to evaluate and ensure that financial information is accurate, and that financial controls and systems of risk management are robust and defensible;
 - iv) independent directors responsible for determining the appropriate levels of remuneration of executive directors and the process of succession planning. They also have a prime role in appointing and where necessary, removing senior management;
 - v) independent directors to balance the conflicting interest of the stakeholders, including minority shareholders. In the event of any conflict, they shall moderate and arbitrate in the interest of the Company as a whole.

3. REMUNERATION AND REIMBURSEMENT OF EXPENSES

- ID will be paid such remuneration by way of sitting fees for attending meetings of the Board and its Committees as may be decided by the Board from time to time in compliance with applicable law and/or commission as may be approved by the Board and/or shareholders of the Company from time to time. The remuneration shall be subject to applicable taxes and the Company may withhold there from any amounts as are required to be withheld pursuant to applicable law. Any tax liability arising in respect of payments made pursuant to remuneration to ID shall be borne solely by him/her.
- The 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 appointment of ID.
- In addition to the remuneration described above the Company will, for the period of appointment, reimburse ID for travel, hotel and other incidental expenses incurred by him/her in the performance of his/her role and duties.

4. CONFLICT OF INTEREST

It is accepted and acknowledged that ID may have business interests other than those of the Company. As a condition precedent to commencement of the appointment, ID is required to declare to the Company any such directorships,

appointments and interests to the Board. Thereafter, ID is required to declare to the Company whenever there is any change in the circumstances, which may affect their status as an ID. However, it is expected that Independent Director will not serve on the boards of competing companies

5. OTHER TERMS AND CONDITIONS

A. PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

The Nomination and Remuneration Committee Policy shall lay down the evaluation criteria for performance evaluation of independent directors. The performance evaluation of independent directors shall be done by the entire Board of Directors excluding the director being evaluated.

B. SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS

The independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the management. All the independent directors of the Company shall strive to be present at such meeting. The independent directors in the meeting shall, inter-alia:

- i) review the performance of non-independent directors and the Board as a whole;
- ii) assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

C. TRAINING OF INDEPENDENT DIRECTORS

Every new independent director, will attend the orientation programme. Presentations will be made by the executive directors/senior managerial personnel which will cover an overview, strategy, operations and functions of the Company. The orientation programme will provide an opportunity to interact with the senior leadership of the Company and help the independent director to understand the Company's strategy, operations, services, product offerings, organisation structure etc.

D. CHANGES OF PERSONAL DETAILS

During the Term, they shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

E. TERMINATION

- ID may resign from his position at any time by serving a reasonable written notice on the Board stating out the reason for resignation. Further, appointment of ID may be terminated in accordance with applicable law. The Company may

disengage Independent Directors prior to completion of Term subject to compliance of relevant provisions of the 2013 Act upon:

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

- Continuation of appointment of ID is contingent on his/her willingness to continue as an ID, and getting re-appointed by the shareholders in accordance with applicable law. ID will not be entitled to compensation in case the shareholders of the Company do not re-appoint him/her at any time.

F. CONFIDENTIALITY

- All information in relation to the Company acquired by ID during the appointment and tenure as an ID is confidential and should not be disclosed to third parties unless required by law.
- ID is subject to and bound by the prohibition and restrictions against insider trading and disclosure of unpublished price sensitive information, as prescribed under the Act.

G. LIABILITY

Subject to applicable law, for any breach of duties, ID will be liable to consequence prescribed under applicable law and in relation to the Company, ID would be liable for such acts of omission or commission by the Company which had occurred with his/her knowledge, attributable through Board processes, and with his/her consent or connivance, or where ID has not acted diligently.

6. MISCELLANEOUS

- The appointment of ID is also subject to the maximum permissible directorships that one can hold under applicable law, including as per the provisions of the Act.
- ID will not be in employment of the Company.
- ID may be invited to attend ongoing training and familiarization sessions, including briefings from management and site visits.