



TERMS AND CONDITION FOR APPOINTMENT OF INDEPENDENT DIRECTORS

1. Appointment:

- 1.1 Subject to the provisions of the Companies Act, 2013 ('Act'). You will be appointed as a Non-Executive Independent Director on the Board of Directors of HC1 with effect from _____.
- 1.2 Your tenure of appointment is for a period of 5 (five) consecutive years from the date of your appointment, unless terminated earlier or extended, as per the provisions of this letter and applicable laws.
- 1.3 The Company has followed the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013.

2. Time Commitment

- 2.1 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, if any may also meet four times in a year as per the requirement of the Companies Act, 2013. Ordinarily, all meetings are held in Mumbai.
- 2.2 You will be expected to attend Board, Board Committees to which you may be appointed as member and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.
- 2.3 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.

3. Committees

The Board of Directors (the Board) may, if it deems fit, invite you for being appointed on one or more existing Board Committees, if any or any such Committee that is set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations, specifically the Companies Act 2013.

You will be provided with the approved terms of reference of the respective committees which sets out its functions.

4. Role and Duties

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and rules made thereunder. There are certain duties prescribed by the 'Act' for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- You shall act in accordance with the Company's Articles of Association.



- You shall act diligently and 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.
- You shall discharge your duties with due and reasonable care, skill and diligence and shall exercise independent Judgement.
- 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 Conflict of Interest for full explanation on conflict of interest.
- You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- You shall not assign your office as Director and any assignments so made shall be void.

5. Code of Business Ethics

The Independent Director shall:

- uphold ethical standards of integrity and probity;
- refrain from any action that would lead to loss of their independence;
- where circumstances arise which make an director lose his independence, the concerned director must immediately inform the Board accordingly;
- assist the company in implementing the best corporate governance practices.

6. Code of conduct

During the tenure of your appointment, you are required to comply with the code of conduct adopted by the Board of Directors and to comply with Schedule IV of the Companies Act, 2013 and Regulations from time to time.

7. Conflict of Interest

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.

8. Liabilities

Section 149(12) of the Act *inter alia* states that, a Non-Executive Director shall be held liable, *only* in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

9. Insurance

HC1 has Directors' and Officers' liability insurance and it is intended that HC1 will assume and maintain such cover for the full term of your appointment.



10. List of actions which should be avoided while functioning as a Non-Executive Director:

- (i) allowing any extraneous considerations to influence your exercise of objective independent judgment, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (ii) abuse of your 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;
- (iii) unfairly obstructing the functioning of an otherwise proper Board or committee of the Board;
- (iv) disclosing confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law;
- (v) entering into insider trading of securities;
- (vi) placing yourself in a position where you have or may have an actual or potential conflict of interest with the Company, unless the same has been appropriately disclosed to the Company: Should such an occasion arise, you should discuss the matter with the Board or the Company Secretary immediately.
- (vii) assigning your office and any assignment so made shall be void;
- (viii) holding singly or along with your relatives, shares exceeding 2% or more of the total voting power of the Company.

11. Remuneration / Commission / Reimbursement of expenses

In consideration of your contributions as a member of the Board, you will be entitled to INR _____ per annum. Goods and Service Tax (GST), if applicable, will be borne by the Company. The remuneration payable quarterly will be in accordance with the provisions of Companies Act, 2013 and rules made thereunder.

In addition to the above, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties. All payments specified herein shall be subject to applicable withholding taxes under Indian laws.

12. Confidentiality

All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following your leaving the board (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 the Company.

Your attention is also drawn to the requirements under both legislation and regulation as to the disclosure of price sensitive information and to any dealing in the securities of the Company. Consequently, you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or Company Secretary.

13. Termination

- 13.1 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.



- 13.2 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.
- 13.3 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. Notification of personal information

Under the Company Law provisions, Indian Stock Exchange Listing Requirements, the Company is required to provide information about the Directors to those stock exchanges. Filings concerning Directors must also be made with various government authorities. You are requested to provide such information as and when required including the following:

- (i) Personal Details like your address, date and place of birth, nationality;
- (ii) Details of other Board membership/ committees and shareholding in other companies (exceeding 2%);
and
- (iii) Details of shares of the Company held by you or your relatives from time to time.