

## **TERMS AND CONDITIONS OF APPOINTMENT FOR INDEPENDENT DIRECTORS – e-INFOCHIPS LIMITED**

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The appointment of Independent Directors' sets out the terms and conditions covering the appointment which are as follows:

### **1. Appointment**

- a. Subject to the provisions Section 149 and 152 and other applicable provisions of the Companies Act, 2013 ('Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 ('Rules').
- b. An Independent Directors shall hold office for a term up to five consecutive years on the Board of e-Infochips Limited.
- c. The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the rules framed there under. 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 for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. the appointment on such Committee(s) will be subject to the applicable regulations.

### **3. Time Commitment**

As a Non-Executive Directors 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 once in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee and Corporate Social Responsibility Committee meetings. They will be expected to attend Board, Board Committees to which may be appointed as member and Shareholders meetings and to devote such time to their duties, as appropriate for discharging duties effectively. Ordinarily, all meetings are held in Ahmedabad.

### **4. Role and Duties**

The role and duties will be those normally required of a Non - Executive Independent Director under the Companies Act, 2013 and the rules framed 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:

- I. Directors shall act in accordance with the Company's Articles of Association.
- II. Directors 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. Directors shall discharge their duties with due and reasonable care, skill and diligence.
- IV. Directors shall not involve themselves in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company. Please refer to clause 7 for full explanation on conflict of interest.
- V. Directors shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to his relatives, partners or associates.
- VI. Directors 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, 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 e-Infochips Limited; and

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

## **5. Status of Appointment**

Independent Directors will not be an employee of the Company and appointment letter shall not constitute a contract of employment. They 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.

## **6. Reimbursement of Expenses**

In addition to the remuneration described in paragraph 5 the Company will, for the period of the appointment, reimburse for travel, hotel and other incidental expenses incurred by them in the performance of their role and duties.

## **7. Conflict of Interest**

- a. It is accepted and acknowledged that they may have business interests other than those of the Company. As a condition to the 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 appointment.
- b. In the event that the 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 judgement that they are independent, this should be disclosed to both the Chairman and the Secretary.

## **8. Confidentiality**

All information acquired during the appointment is confidential to e-Infochips Limited and should not be released, either during the 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, they shall surrender any documents and other materials made available to them by e-Infochips Limited.

## **9. Evaluation**

The Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. The appointment and re appointment on the Board shall subject to the outcome of the yearly evaluation process.

## **10. Independent Professional Advice**

There may be occasions when they consider that they need professional advice in furtherance of their duties as a Director and it will be appropriate for them 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.

**11. 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 not later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record the interest appropriately and our records are updated. A general notice showing interest in any contracts with a particular person, firm or company is acceptable.

**12. Code of conduct**

During the tenure of the appointment, they 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 rules made there under from time to time.

**13. Termination**

- a. They may resign from the position at any time and should they wish to do so, they are requested to serve a reasonable written notice on the Board.
- b. Continuation of the appointment is in accordance with provisions of Companies Act, 2013, Rules made there under and the Articles of Association of the Company, from time to time in force.
- c. The appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company and the provisions of the Companies Act, 2013 and rules made there under as amended.