



**Semac Construction Limited**

## **Terms and conditions of appointment of Independent Directors**

### **1. The term of appointment:**

Independent Directors are appointed for a period of 5 years.

As Independent Directors, they will not be liable to retire by rotation.

Reappointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders. The reappointment would be considered by the Board based on the outcome of the performance evaluation process and the directors continuing to meet the independence criteria.

### **2. The expectations of the Board from the appointed Director**

a. **Time Commitment:-** The Company anticipates a commitment of sufficient time and attention as necessary in order to perform their duties under the appointment.

b. **Strategy:-** The Company expects that the Independent Directors will constructively challenge and contribute to the development of strategy of the company.

c. **Performance:-** Independent Directors shall scrutinize the performance of management in meeting agreed goals, objectives and monitor the reporting of performance .

d. **Risk:-** Independent Directors should satisfy themselves that the financial information is accurate and that financial controls and systems of risk management are robust and defensible.

e. **Confidentiality:-** Independent Directors must apply the highest standards of confidentiality and not to disclose to any person or Company (whether during the course of the Appointment or after cessation of directorship) any confidential information concerning the Company and any group Companies with which they come into contact by virtue of their position as a Non-Executive Independent Director of the Company.

### **3. Appointment in Board-level committees and its tasks.**

During the appointment, the Independent Directors may be asked to serve on one or more of the Board Committees and they will be provided with copies of the terms of reference for each of those Committees.

### **4. The fiduciary duties that come with such appointment along with accompanying liabilities:**



**Independent Directors:**

- a. shall not breach any of the terms and conditions pertaining to Independent Directors as mentioned in the Companies Act, 2013 or the listing agreement or any other Act or Regulations.
- b. shall display utmost alacrity in approving financial statement.
- c. shall disclose interest in any of the contract or arrangements and also disclose the interest on periodical basis as required under law.
- d. shall strive to attend all meetings including Board, Committee and General Meetings. They shall actively participate in the meetings.
- e. shall not compromise or allow to compromise "Independence."
- f. shall not misuse the assets, property, information or any other matter that may be in possession, in the capacity as a Director of the Company.
- g. shall not engage in Insider Trading activities.
- h. shall ensure compliance of all the laws of the land.

The above list is only indicative and not exhaustive.

Any breach of fiduciary duties would warrant civil and criminal action or both by the Company, its shareholders, statutory authorities and others. The Companies Act, 2013, envisages huge penalties and imprisonment for such breaches. They are also exposed to Class Action Suit by Shareholders.

**5. The Code of Business Ethics that the Company expects its directors and employees to follow:**

The Company formulated a detailed Code of Conduct for the Board of Directors and Senior employees of the Company. The Code of Conduct is also being displayed in the Company's website. Independent Directors had already affirmed the code of conduct for the financial year 2013-14 in writing towards compliance with the code. The same shall form part of Independent Directors appointment letter.

**6. The list of actions that a director should not do while functioning as such in the company.**

Independent Directors shall not



- i. misuse the information which are in their possession for personal gains.
- ii. engage in any way (both directly or indirectly) with the competitors.
- iii. in any way indulge in activities which may be construed as conflict of interest.
- iv. break any law of the land or indulge or provoke the co-directors or employees to do the same.
- v. enter into any contract or arrangements wherein they directly or indirectly interested.

The above list is only indicative and not exhaustive.

**7. The remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.**

Presently all the non-whole time Directors are remunerated by way of Sitting Fees. The expenses incurred by the Directors for attending the Board or Committee Meetings or any other work are reimbursed.

**8. Others:**

The Appointment Letter is issued based on the Act, Rules and other Regulations prevalent at the time of appointment. Any change in above, shall automatically entail changes in the terms and conditions.

The Board or its Committee is empowered to change the policy, from time to time. Such change in policy shall be informed to Independent Directors.

The Board or its Committee are empowered to review and change the terms and conditions of the appointment letter. Any changes, thereof, will be informed to the Independent Directors.

For and on behalf of  
Semac Construction Limited,

**For Semac Construction Limited**

  
Aakriti Gupta  
Company Secretary

Aakriti Gupta  
Company Secretary and Compliance Officer