

Mukesh Babu Financial Services Limited

Terms and Conditions of Appointment of Independent Directors

APPOINTMENT:

The appointment of Independent Director/s is pursuant to Section 168 or Section 169 of the Companies Act, 2013, as applicable, for a consecutive term of 5 years commencing from October 1st, 2014 on non-rotational basis unless otherwise terminated earlier. The re-appointment shall be on the basis of report of performance evaluation carried out by the Board of Directors (excluding appointee Independent Director) on the basis of criteria laid down by the Nomination and Remuneration Committee and presented to the Board.

- a) Independent Directors will abide by the Code for Independent Directors detailed in Schedule IV of the Companies Act, 2013.
- b) The Board, in order to derive benefit out of Independent Director's rich and varied experience, may request and nominate Independent Directors to serve on one or more Committees of the Board during their tenure.
- c) The Board expects Independent Directors to make adequate time to participate actively/constructively in:
 - all meetings of the Board;
 - Committee(s) in which Independent Directors are a member or Chairperson;
 - General meetings of the Company; and
 - Annual Meeting of the Independent Directors.
- d) By accepting the appointment, Independent Directors confirm that be in a position to allocate sufficient time to meet the expectations of role as an Independent Director.

ROLES & DUTIES:

- a) In addition to the role specified under Schedule IV of the Act, Independent Directors are expected to bring an independent judgment to the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.

- b) Independent Directors are further expected to provide an objective view in the Board's evaluation of its own performance and of the performance of the Management and further review the performance of Management in meeting agreed goals and objectives.
- c) Independent Directors will adhere to the Duties provided for under Section 166 of the Act (as amended from time to time) in addition to the duties mandated under Schedule IV of the Act (as amended from time to time).
- d) In addition to the above, Independent Directors shall abide by the Code of Conduct devised by the Company for the Board and Senior Management.

LIABILITIES:

As an Independent Director of the Company, they shall have the same responsibility like any other Director on the Board. However, pursuant to Section 149(12) of the Companies Act, 2013 Independent Directors shall be held liable in respect of such acts of omission or commission of the Company which had occurred with their knowledge, attributable through Board proceedings and with their consent or connivance or where they had not acted diligently.

FEES/ COMMISSION/REIMBURSEMENT OF EXPENSES:

- a) Subject to the provisions of the Companies Act, 2013 and Articles of Association of the Company, wherever applicable, Independent Directors shall be paid sitting fees for attending each meeting of the Board of Directors ("the Board") or of Committees of the Board thereof, an amount which shall be decided by the Board from time to time.
- b) Independent Directors shall not be entitled to any Stock Options that may be issued by the Company.
- c) During Independent Director's tenure of appointment as an Independent Director, the Company may seek their professional advice/ service, if required, on certain issues whenever appropriate, at the Company's expense.

OTHER COMPLIANCES:

During Independent Director's tenure as an Independent Director, he will comply with all applicable and related provisions of the Companies Act, 2013, Clause 49 (including any statutory or other modification or re-enactment thereof) and any other applicable law or regulation in force. Independent Directors are requested to maintain the limits of Directorship/ Committee

membership and chairmanship as required under Section 165 of the Companies Act, 2013 read with the applicable rules made thereunder and as per Clause 49.

Further Independent Directors shall inform the Company about appointment/cessation of Directorship / Committee membership at the earliest:

- a) At the meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect Independent status as an independent director, Independent Directors are required to give a declaration as required under Section 149(7) of the Act to the effect that they meet the criteria of Independence as required under Section 149 (6) of the Act.
- b) They are requested to furnish disclosure of interest to the Company as required under Section 184 and declaration of eligibility as required under Section 164 (2) of the Act.
- c) Independent Directors shall be required to attend the meeting/s of Independent Directors to be held on an annual basis and discuss the agenda as provided in Schedule IV of the Act.
- d) During Independent Director's tenure with the Company, in case they became disqualified as provided in Section 164 (1) of the Act, such Directors are requested to intimate the Company.
- e) Independent Directors are also requested to ensure that the conditions as prescribed under Section 167 of the Act are not violated resulting in vacation of their office.

CONFIDENTIALITY:

- a) Independent Directors should acknowledge that all information acquired by them during their tenure is confidential to the Company and should not be released, communicated, nor disclosed by any means either during their tenure or following cessation of tenure (by whatever cause), to any person without prior clearance from the Board of Directors of the Company. Independent Director's attention is drawn to the requirements under the law, applicable regulations and the Company policy towards disclosure of price sensitive information.

Independent Directors shall abide by the Code of Insider Trading devised by the Company and shall not make any statements/disclosures in violation of the Code.

- b) Upon cessation of Independent Director's tenure with the Company (for whatever cause), they shall return to the Company all documents, records, papers or other company property which may be in their possession or under their control, and which relate in any way to the business affairs of the Company, and Independent Directors shall not retain any copies

thereof. Independent Directors may retain copies of agenda and other papers relating to the processes of the Board and its Committee(s) of which they are/ were a member subject to intimation to retain given to the concerned Chairman/ Board as appropriate under the circumstances and adherence by them to the basic principles of “Confidentiality” implicit in the fiduciary duties of the office.

REVIEW PROCESS:

- a) Independent Director’s performance as an Independent Director will be evaluated by the Board of Directors as per the evaluation criteria laid down by the Nomination and Remuneration Committee of the Company.
- b) After due review of Independent Director’s performance, it shall be determined whether to extend or continue Independent Director’s term.

COMPANY WEBSITE:

In terms of Schedule IV of the Act, the terms and conditions of Independent Director’s appointment will be displayed on the Company’s website: www.mukeshbabu.com and the same shall be open for inspection at the Registered Office of the Company by any member during normal business hours.