



## AMARNATH SECURITIES LIMITED

### TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

#### 1. Definitions

**"Independent director" means a non-executive director, other than a nominee director of the listed entity:**

who, in the opinion of the board of directors, is a person of integrity and possesses relevant expertise and experience;

- (i) who is or was not a promoter of the listed entity or its holding, subsidiary or associate company;
- (ii) who is not related to promoters or directors in the listed entity, its holding, subsidiary or associate company;
- (iii) who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (iv) none of whose relatives has or had pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (v) who, neither himself, nor whose relative(s) —
  - (A) holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;



(B) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —

(1) a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or

(2) any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(C) holds together with his relatives two per cent or more of the total voting power of the listed entity; or

(D) is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts or corpus from the listed entity, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the listed entity;

(E) is a material supplier, service provider or customer or a lessor or lessee of the listed entity;

(vii) who is not less than 21 years of age.

## **2. Period of Appointment: 5 (Five) Years**

Subject to member's approval at the Annual General Meeting of the Company, the term of appointment of Independent Directors of the Company is for a period of 5 consecutive years from the date of their being appointed or designated as such on the Board of the Company. Independent Directors will be eligible to be re-appointed for a further period of 5 consecutive years, after the completion of their tenure of first 5 years, subject to Board approval and the passing of a Special Resolution by Shareholders. The re-appointment of Independent Director shall be on the basis of report of performance evaluation.



### 3. Role and functions:

**The role and functions of Independent Directors in the Board shall comprise of the following:**

- a) To help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- b) To bring an objective view in the evaluation of the performance of board and management;
- c) To scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d) To satisfy him / her on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- e) To safeguard the interests of all stakeholders, particularly the minority shareholders;
- f) To balance the conflicting interest of the stakeholders;
- g) To determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- h) Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.



Independent Directors shall be taking sufficient care to perform duties specified in the Code for Independent Directors under Schedule IV of the Companies Act, 2013 and as per SEBI (Listing Obligation And Disclosure Requirement) Regulation, 2015 of the (including any modification or reenactment of the same) that come with such an appointment along-with accompanying liabilities.

Independent Directors shall abide by the Code of Conduct as laid down by the Company or any amendment thereof and the Code of Business Ethics as may be formulated by the Board that the Company expects its directors and employees to follow.

Independent Directors shall follow the professional conduct as an Independent Director of the Company as indicated below:

- a) Uphold ethical standards of integrity and probity;
- b) Exercise his / her responsibility in a bona fide manner in the interest of the Company;
- c) Refrain from any action that would lead to loss of independence;
- d) Assist the company in implementing the best corporate governance practices

Independent Directors shall be paid fees for participating in the Board meeting / Committee Meeting or for any other purpose whatsoever as may be decided by the Board from time to time.

Independent Directors shall be entitled to profit related commission as may be decided by the Board from time to time in accordance with approval given by the members of the Company.

Other qualifications: An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.



Independent Directors shall give annual declaration as required under the provision of Section 149 (7) of the Companies Act, 2013 and the rules made thereunder.

Independent Directors shall not serve as an Independent Director in more than 7 listed Companies as specified in SEBI (Listing Obligation & Disclosure Requirement) Regulation, 2015. However, if Independent Directors are serving as a whole time director in any listed company, they shall not serve as Independent Directors in more than three listed companies.

Independent Directors shall not disclose the information acquired during his / her period of appointment as an Independent Director which are confidential to the Company and should not be disclosed either during his her period of appointment or following termination (by whatever means) to third parties except as permitted by law and with prior approval of the Company.

**The Board may prescribe any further duties and responsibilities, including as per the provisions of the applicable regulations.**