
CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will ensure confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

A. Independent Director shall:

- (1) uphold ethics, standards of integrity and probity;
- (2) act objectively and constructively while executing his duties;
- (3) exercise his responsibilities and discharge his duties in the interests of the company;
- (4) devote sufficient time and attention to his professional obligations, the interest and best interest of the company;
- (5) not allow any concurrent commitments that will impair his exercise of objective, independent judgment in the performance of the company as a whole, while continuing to be dispositive from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal interests or advantages for any associated person;
- (7) not be in any way so involved that he would lose his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent director shall

- (1) report bringing an independent judgment to bear on the Board's decisions on: overall or divisional strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of executive management;
- (3) scrutinize the performance of management in making special payments, bonuses and monitor the monitoring of performance;
- (4) act independently on the integrity of financial information and that there is no conflict of the systems of risk management practices and objectives;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders, the interests of the long-term interests of the shareholders;
- (6) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management, based on the role in appointing and where necessary recommending, bonus, share based incentives, key managerial personnel and senior management;
- (7) resolve and arbitrate in the interest of the company in a whole, the matters of conflict between management and shareholders' interest.

III. Duties:

The independent directors shall

- (1) undertake appropriate interaction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice with opinion of outside experts or the experts on the company;
- (3) not be invited to attend all meetings of the Board of Directors and of its Board committees of which he is a member;
- (4) participate constructively and actively in all committees of the Board in which they are chairpersons or members;
- (5) not to attend the general meetings of the company;
- (6) where they have concerns about the running of the company or a proposed action, raise the concerns addressed by the Board and, to the extent that it is not resolved, ensure that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the economic environment in which it operates;
- (8) not to publicly debate the functioning of an external organ (Board or committee) of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interests of the company;
- (10) ascertain the nature and the content of an adequate and functional sign mediation and to ensure that the interests of a person who uses such mediation are not prejudicially affected on account of their role;
- (11) to perform the other functions, as required or suggested, based on resolution of the company's board of directors or chair policy;
- (12) acting within its authority, work in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, strategic advertising and sales promotion plans, unpublicised financial information, unless such disclosure is expressly approved by the Board or required by law. **Manner of appointment**
 - (1) Appointment process of independent directors shall be independent of the company management while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions more effectively;
 - (2) The appointment of a dependent director by the company shall be approved at the meeting of the shareholders;
 - (3) The explanatory Note sent attached to the notice of the meeting for approving the appointment of independent director shall include a statement, for in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and that the candidate is qualified and that the person director is independent of the management.

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- (4) The appointment of independent directors shall be formalised through a letter of appointment, which shall contain:
- (a) the term of appointment;
 - (b) the representation of the Board from the appointed director; the Board has no reliance on him which the director is expected to view and act on;
 - (c) the fiduciary duties the same with such an appointment along with accompanying liabilities;
 - (d) provision for Directors and Officers (D and O) Insurance; (if any);
 - (e) the Code of Business Ethics that the company expects its directors and members to follow;
 - (f) the list of actions that a director should not do while functioning as such with the company; and
 - (g) the remuneration, remuneration policies, key criteria, source of resources (equity/income) in the Board, and other meetings and profit related commission (if any).
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent Directors shall also be posted on the company's website. **V. Re-appointments:**

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

- (1) The resignation or removal of an independent director shall be in the same manner as is provided to members, and not 136 of the Act.
- (2) An independent director, who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of resignation or removal, as the case may be.
- (3) Where the company finds the requirement of independent directors in its Board, even without filling the vacancy created by said resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not arise.

VII. Expense meetings:

- (1) The independent directors of the company shall hold at least one meeting for each year and the attendance of non-independent directors and members of management.
- (2) All the independent directors of the company shall have to be present at such meeting;
- (3) The meeting shall
 - (a) review the performance of non-independent directors and the Board as a whole;

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- (c) review the performance of the Chairman of the company, taking into account the views of executive directors and non-executive directors;
 - (d) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and successfully perform their duties.

VIII. Evaluation mechanism:

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the result of performance evaluation, it shall be determined whether to re-appoint or terminate the term of appointment of the independent director.