

Bharti Hexacom Limited

Terms and Conditions of appointment of Independent Director

1. Professional Conduct

As an Independent Director of the Company, you shall:

- i. uphold ethical standards of integrity and probity;
- ii. act objectively and constructively while exercising your duties;
- iii. exercise your responsibilities in a bona fide manner in the interest of the Company;
- iv. devote sufficient time and attention to your professional obligations for informed and balanced decision-making;
- v. not allow any extraneous considerations that may vitiate your exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision-making;
- vi. not abuse your position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- vii. refrain from any action that could lead to a loss of your independence;
- viii. ensure that if circumstances arise under which you may lose your independence, you will immediately inform the Board accordingly;
- ix. assist the Company in implementing the best corporate governance practices.

2. Duties as a Director of the Company

The Companies Act, 2013 and the Listing Regulations have prescribed certain duties for directors, which are fiduciary in nature. Accordingly, as a Director of the Company, you shall:

- i. act in accordance with the Company's Articles of Association;
- ii. 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 interests of the Company, its employees, the shareholders, the community and for the protection of environment;
- iii. discharge duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
- iv. not be involved in situations of conflicts or possible conflicts with the interest of the Company. Please refer to clause 11 for full explanation on 'conflict of interest and disclosure';
- v. not achieve or attempt to achieve any undue gain or advantage either to self or to your relatives, partners or associates;
- vi. not assign your office as Director and any assignment so made shall be void.

In terms of the Listing Regulations, you will also be abide by the Code of Conduct of the Company as approved by the Board of Directors and shall affirm compliance with the code on an annual basis.

3. Responsibility, Role and function and Duties as an Independent Director

3.1 Responsibilities as an Independent Director:

As an Independent Director of the Company you will have the same responsibilities as that of any other directors of the Company. The Board of the Company as a whole is collectively responsible to provide direction and supervision to the Company.

3.2 Role as an Independent Director:

As an independent director, you shall:

- i. 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;
- ii. bring an objective view in the evaluation of the performance of board and management;
- iii. scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- iv. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- v. safeguard the interests of all stakeholders, particularly the minority shareholders;
- vi. balance the conflicting interest of the stakeholders;
- vii. 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;
- viii. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

3.3 Duties as an Independent Director:

As an independent director, you shall:

- i. undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the company;
- ii. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- iii. strive to attend all meetings of the Board of Directors and of the Board committees of which you are a chairperson or member;
- iv. participate constructively and actively in the committees of the Board in which you are chairpersons or members;

- v. strive to attend the general meetings of the company;
- vi. where you have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that your concerns are recorded in the minutes of the Board meeting;
- vii. keep yourself well informed about the company and the external environment in which it operates;
- viii. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- ix. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same are in the interest of the company;
- x. ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- xi. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- xii. acting within your authority, assist in protecting the legitimate interests of the company, shareholders and the employees;
- xiii. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

4. Time commitment

- I. You will devote such time to the affairs of the Company as is required for discharging your duties as member of the Board and a member/Chairman of the Committee. (Name of the Committee)
- II. The meetings of the Board, the Audit Committee and other Committees are generally held four times a year within 25-35 days of the close of the quarter. The Board has also constituted various other committees viz. the Stakeholders Relationship Committee, CSR Committee, Nomination and Remuneration Committee and Committee of Directors which conduct their meetings at regular intervals and as and when the need arises.
- III. We request you to consult with the Chairman if you propose to accept additional assignments that may impact your time availability for fulfilling your aforesaid role for the Company.

5. Induction, Training and Development

The Company conducts training and knowledge sessions for its Directors, which may include all or any of the following:

- a) Meeting with Key Management;
- b) Visit to Company's Offices;
- c) Visit to Network Experience Center;
- d) Meeting with eminent industry and technology experts;
- e) Visit to Markets and interaction with the customers.

We recommend that you attend all these programs and sessions which will help broaden your understanding of the Company, its business, and the environment and markets in which it operates.

6. Remuneration

Your remuneration is governed by the Companies Act, 2013 and the relevant provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Within the overall limit approved by the shareholders, the Board may determine the remuneration payable to the Independent Directors at any time.

7. D & O Insurance

Presently the Company has a Directors and Officers' liability insurance policy ("D & O policy") and intends to assume and maintain such cover for the full term of your appointment.

8. Performance Evaluation

Your appointment and re-appointment on the Board shall be subject to the outcome of the annual performance evaluation process. The Board has adopted an evaluation process of the Board, Committees of the Board, individual Directors, Chairman CEO. The Board (or a Committee duly authorized by the Board) shall carry out an evaluation of the performance as per the approved evaluation on an annual basis.

9. Conflict of Interest and disclosure

It is accepted and acknowledged that you may have business interests other than those in the Company. As a condition to your appointment, you are required to declare all such directorships, appointments and interests to the Board in writing in the prescribed form annually and as and when there is any change. The Corporate Secretarial Function will assist you in making these disclosures in a timely manner.

In the event, that your circumstances seem likely to change and might give rise to a conflict or interest or a change which impacts your independence as an Independent Director of the Company, you shall intimate to the Chairman as well as the Company Secretary forthwith.

It is expected that you will not serve on the Boards of competing companies.

10. Independent professional Advice

There may be occasions when you consider that you need professional advice in furtherance of your duties as a Director and it will be appropriate for you 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 is required to 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 no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

12. Confidentiality

- 12.1 All information that is sent to you (except public disclosures or press releases) shall be treated as confidential and should not be disclosed or released to any third party either during your tenure or later without pre clearance in writing from the Chairman or the Company Secretary, unless required by law or by the rules of any stock exchange or regulatory body, which shall be intimated forthwith upon disclosure. We also expect even if disclosed with appropriate consent, that such third party be bound by the same terms of confidentiality.
- 12.2 In the course of your duties, you will be privy to price sensitive information and data, forecasts and plans. We draw your attention to the guidelines on insider trading, disclosure and prohibition of forward looking statements. It is prudent for you to avoid making any statement or disclosing information in breach of the guidelines, regulations and code of conduct and we suggest you to consult the Company Secretary if you require any clarification. Company's Code on prevention of Insider Trading has been separately provided to you and any clarification therefrom may be obtained from the Corporate Secretarial Function of the Company

13. Conclusion of appointment/ termination

- 13.1 Your tenure on the Board shall be in accordance with the policy on appointment of independent directors adopted by the Board from time to time and on such terms as approved by the shareholders of the Company.
- 13.2 You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board.
- 13.3 Continuation of your appointment will be contingent on your getting re-appointed by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. You will not be entitled to any compensation if the shareholders do not re-appoint you at any time.
- 13.4 Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company for the time being in force.
- 13.5 On the conclusion of your tenure, you will return any property and assets of the Company in your possession including information and data. You will also not retain any copy of the information and data unless approved in writing by the Chairman or the Company Secretary of the Company.

14. Publication of the terms & conditions

In accordance with the Listing Regulations and Schedule IV of the Companies Act 2013, the Company shall disclose the terms and conditions of the appointment on the website of the Company.

15. Miscellaneous

- 15.1 This annexure forms the terms of your appointment as an Independent Director of the Company. We clarify that this annexure / letter is not a contract for service or employment and you will not be entitled to any compensation for loss of office.
- 15.2 The terms of your appointment are subject to the provisions of the Companies Act, 2013, Listing Regulations, Articles of Association of the Company and other laws as may be applicable from time to time. In case of any inconsistency between the statutory provisions and as provided herein, the statutory provisions will prevail over the contents of this and the terms of this annexure shall stand amended automatically to that extent.
- 15.3 Your terms of appointment including the terms contained in this letter herein are governed by the Indian Laws and accordingly shall be subject to the exclusive jurisdiction of the courts in Delhi.