

Terms and Conditions of Appointment of Independent Directors

[Pursuant to the provisions of Schedule IV to the Companies Act, 2013 (“the Act”)]

The broad terms and conditions of appointment of Independent Directors are reproduced hereunder:

A. Appointment

The appointment as an Independent Director (ID) on the Board will be effective from the date of appointment i.e. September 22, 2014 for a period of Five Years up to September 21, 2019.

The Board may, if it deems fit, invite IDs for being appointed on one or more existing Board Committees or any such Committee that is set up in the future.

The appointment on such Committee(s) will be subject to applicable law

B. Role, Duties and Responsibilities

ID as member of the Board along with other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the Companies Act, 2013, Schedule IV of the Act and the Rules made thereunder
- Responsibilities of the Board as outlined in the Corporate Governance requirements
- Accountability under the Director’s Responsibility Statement
- Overseeing the maintenance of high standards of Ujjivan Values and ethical conduct of business
- Overseeing Ujjivan contribution to enhancing the quality of life of communities

IDs shall abide by the ‘Code for Independent Directors as outlined in Schedule IV of the Companies Act, 2013 and duties of directors as provided in the Act (including Section 166).

IDs will also be responsible for providing guidance in the area of their expertise.

IDs are expected to stay updated on how best to discharge their roles, responsibilities, and duties and liabilities as an ID under applicable law, including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices.

ID is expected to:

- (i) Take decisions objectively and solely in the interests of the Company;
- (ii) Facilitate Company’s adherence to high standards of ethics and corporate behavior;

- (iii) Guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
- (i) Guide the Board in monitoring and managing potential conflicts of interest of Management, Board Members and Stakeholders, including misuse of corporate assets and abuse in related party transactions;
- (ii) Guide the Board in ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

C. Remuneration and Reimbursement of Expenses

ID remuneration will be as under:

- (a) Sitting fees for attending each meeting of the Board and its Committees as may be determined by the Board from time to time, and
- (b) Any other fee subject to the provisions of the Companies Act 2013 and as per the Company's policy as amended from time to time.

ID will be entitled to reimbursement of expenses incurred by you in connection with attending the Board meetings, Board Committee meetings, Annual General Meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.

ID will not be entitled to any stock options.

The Company has Directors' and Officers' liability insurance and it is intended that the Company will assume and maintain such cover for the full term of appointment of ID.

D. Performance Appraisal / Evaluation Process

As a member of the Board, ID performance shall be evaluated annually by the Board.

The criteria for evaluation shall be determined by the Governance, Nomination and Remuneration Committee of the Board.

An indicative list of factors that may be evaluated as a part of this exercise is:

- Participation and contribution by the ID,
- Commitment (including guidance provided to senior management outside of Board / Committee meetings),
- Effective deployment of knowledge and expertise,
- Effective management of relationship with stakeholders,
- Integrity and maintenance of confidentiality

- Independence of behavior and judgment, and
- Impact and influence.

E. Disclosures, other directorships and business interests

During the term, IDs need to promptly notify the Company of any change in their directorships, and provide such other disclosures and information as may be required under the applicable laws. ID agrees that upon becoming aware of any potential conflict of interest with their position as ID, they shall promptly disclose the same to the Company.

ID will have access to confidential information and shall use reasonable efforts to keep it confidential and to not disclose to any third party.

During the term, ID shall promptly, intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

F. Termination

ID directorship shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Companies Act, 2013, ID directorship may be terminated for violation of any provision of the Ujjivan Code of Conduct as applicable to Non-Executive Directors.

ID may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by them in the notice, whichever is later.

If at any stage during the Term, there is a change that may affect the status of an ID as envisaged in Section 149(6) of the Companies Act, 2013, ID agree to promptly submit his/her resignation to the Company with effect from the date of such change.