

Terms and Conditions of Appointment of Independent Directors

A. Preliminary

The Independent Director's appointment is subject to the following:

1. During the tenure as an Independent Director, he/ she has to submit a declaration at the beginning of every Financial Year under Section 149 (7) of the Companies Act, 2013("Act") stating that he/ she meets the criteria of Independence.

2. So long as he is an Independent Director of the Company, he/ she shall have the liberty to accept other Board appointments so long as the appointment is not in conflict with the Company's business and does not materially interfere with the performance as an Independent Director of the Company.

As per extant provisions of Companies Act, 2013, Independent Director shall hold office as a director, including any alternate directorship, in not more than twenty companies at the same time subject to maximum directorships in ten public companies.

However, SEBI restricts directorship as an Independent Director to maximum of seven listed companies. In case Independent Director is Wholetime Director in any listed company, he/ she can hold directorship as an Independent Director in maximum three listed companies

Independent Director shall intimate us the change(s) in the nature or the number of directorships held within thirty days of such change.

3. So long as he/ she is an Independent Director of the Company, he/ she will ensure that he/ she does not get disqualified to act as a Director pursuant to the provisions of Section 164 of the Act.

4. Independent Director will ensure compliance with other provisions of the Companies Act and the Listing Agreement as applicable to him/ her as an Independent Director.

B. Committees

Independent Director may also be nominated to serve on any one or more Board committees, for the purpose of which he/ she will be provided with the respective committee's terms of reference and the responsibilities involved therein.

The listing agreement restricts the independent director to act as a member in not more than ten committees or act as a Chairman of not more than five committees across all companies in which he/ she is a Director. The Chairmanship/membership of the Audit Committee and Stakeholders Relationship Committee alone shall be considered for reckoning the said limit. Independent Director shall inform the company about the committee positions he/ she occupy in other companies and notify the changes as and when they take place.

C. Code of Conduct and Duties and Responsibilities

1. Independent Director will abide by the Code of conduct of the company for its Board of Directors & Senior Management personnel, which requires the directors to act honestly, ethically and with integrity and in a professional and respectful manner. The code of conduct is posted on website of the company at www.neclife.com.

2. Independent Director will abide by the guidelines of professional conduct, role, function and duties as an Independent Directors provided in Schedule IV of the Companies Act, 2013.

3. Independent Director will abide by Code of Conduct for Prevention of Insider Trading Practices of the company, which lays procedures to be followed, and disclosures to be made while dealing in the shares of the Company and restricts dealing in shares when in possession of any unpublished price sensitive information. The code of conduct is posted on website of the company at www.neclife.com.

4. Independent Director is expected to stay updated on how best to discharge his/ her roles, responsibilities, and duties and liabilities, as an Independent Director of the Company under applicable law, including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices.

5. Independent Director 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 behaviour;
- (iii) Guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
- (iv) 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;

(v) 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.

D. Performance Evaluation

Independent Director's reappointment or extension of term and his/ her remuneration will be recommended by the Nomination and Remuneration Committee of the Board, pursuant to a performance evaluation carried out by the Board.

E. Remuneration

1. His/ Her annual 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,

2. Independent Director will be entitled to reimbursement of expenses incurred by him/ her in connection with attending the Board meetings, Board Committee meetings, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of pocket expenses.

3. Independent Director will not be entitled to any stock options.

F. Insurance

The Company will use its best endeavours to maintain appropriate directors' and officers' (D&O) liability insurance for the benefit of the Board.

Independent Director shall be informed of any changes to the policy.

G. Training

Independent Director will be entitled to the benefit of a training program to familiarize himself/ herself with the business and affairs of the Company, growth plans, the peculiarities of the industry in which the Company operates, its goals and expectations and long term plans and objectives.

H. Miscellaneous

1. Independent Director will have access to confidential information, whether or not the information is marked or designated as “confidential” or “proprietary”, relating to the Company and its business including legal, financial, technical, commercial, marketing and business related records, data, documents, reports, etc., client information, intellectual property rights (including trade secrets), (“Confidential Information”).

He/ She shall use reasonable efforts to keep confidential and to not disclose to any third party, such Confidential Information.

If any Confidential Information is required to be disclosed by him/ her in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure should be, to the extent possible, with the prior consent of the Board.
