

## **TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTOR OF GITANJALI GEMS LIMITED (THE 'COMPANY')**

### **Appointment**

Appointment of Independent Director on the Board of Director of the Company is subject to the provision of Companies Act, 2013.

In compliance with provisions of section 149(13) of the Companies Act, 2013, directorship of Independent Director is not subject to retirement by rotation.

### **Objectivity and Independence**

Independent Director is expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, risk management and CSR activities as well as ensuring high standards of financial probity and corporate governance. Independent Director will be expected to attend Board and other Committees to which he/she is appointed and to devote such time to his/her duties, as appropriate for him/her to discharge their duties effectively.

By accepting appointment, Independent Director confirm that he/she is able to allocate sufficient time to meet the expectations from role to the satisfaction of the Board.

### **Roles and Duties**

Roles and duties of Independent Director will be those normally required under the Companies Act, 2013 and Listing Agreement, as modified from time to time and as may be applicable. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are broadly as under:

- I. Director shall act in accordance with the Company's Articles of Association as may be amended from time to time.
- II. Director shall act in good faith in order to promote the objects of the Company for the benefits of its members as a whole, and in the best interest of the Company.
- III. Director shall discharge their duties with due and reasonable care, skill and diligence.
- IV. Director shall not involve themselves in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict with the interest of the Company.
- V. Director shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.
- VI. Director shall not assign their office as Director and any assignments so made shall be void.
- VII. The term of Independent Director should be construed to as defined under the Companies Act 2013 and the listing agreement.
- VIII. The appointment is also subject to the maximum permissible directorships that one can hold as per the provisions of Companies Act, 2013 and the listing agreement.

In addition to the above requirements the Board of Directors also expect Independent Director to perform the following functions:

- I. Director should constructively challenge and help develop proposals on strategy for growth of the Company.
- II. Director should evaluate the performance of management in meeting agreed goals and objectives.
- III. Director should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are effective and defensible.
- IV. Director is responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, Directors and in succession planning.
- V. Director should keep governance and compliance with the applicable legislation and regulations under review and the conformity of Company's practices to accepted norms.

### **Status of appointment**

Independent Director will not be an employee of the Company. Independent Director will be paid such remuneration by way of sitting fee for meetings of the Board and its Committees as may be decided by the Board.

### **Reimbursements of Expenses**

In addition to the remuneration, the Company shall reimburse actual cost incurred for travel, hotel and other incidental expenses incurred by director for participation in meeting of the Board and Committees thereof in the performance of their roles and duties.

### **Conflict of Interest**

It is accepted and acknowledged that Independent Director may have business interests other than those of the Company. As a condition to appointment, Director is required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of their appointment.

Upon becoming aware of any potential conflict of interest with the position of Independent Director, when applicable, circumstances that might lead the Board to revise its judgment that Director is Independent, this should be disclosed to both the Chairman and the Company Secretary.

### **Evaluation**

The Board of Directors will carry out evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis as per Company's Policy. Director appointment and re appointment on the Board shall be subject to the outcome of the yearly evaluation process.

### **Disclosure of Interest**

Any material interest that a Director may have in any transaction or arrangement that the company has entered into should be disclosed no later than and when the transaction or arrangement comes up at a Board meeting so that the minutes may record his/her interest appropriately and our records are updated. A general notice that Director is interested in any contract with a particular person, firm or company is acceptable.

## **Code of Conduct**

During the appointment Independent Director is required to comply with the regulations as contained in Schedule IV under Companies Act, 2013, including the following codes of conduct of the Company:

- I. Code of Conduct for Board of Directors and Seniors Management,
- II. Code of Internal Procedures and Conduct for prevention of Insider Trading in securities of the Company

## **Confidentiality**

All information acquired during Director's appointment is confidential to the Company and should not be released, either during their appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, Director shall surrender any documents and other materials made available to him/her by the Company.

Director attention is also drawn to the requirements under the applicable regulations and the Company's Insider Trading Code which concern the disclosure of price sensitive information and dealing in the securities of the Company. Consequently Director should avoid making any statements or performing any transaction that might risk a breach of these requirements without prior clearance from the Chairman or the Company Secretary.

## **Termination**

Independent Director may resign from their position at any time by serving reasonable written notice to the Board of Directors. In terms of provision of the Companies Act, 2013, he/she is required to file a copy of his/her resignation letter with the Registrar of Companies.

Independent Director's appointment may also be terminated in accordance with the provision of the Articles of Association of the Company from time to time in force.