

## **WISEC GLOBAL LTD.**

NH-II, 2nd Floor, C-Block, Community Centre,  
Naraina Vihar, New Delhi-110028  
Tel.: 25777192-93,  
Email: wisecglobal@yahoo.com  
CIN: L74140DL1991PLC046609  
Email: www.wisecglobal.com

### **TERMS AND CONDITIONS OF APPOINTMENT OF AN INDEPENDENT DIRECTOR**

**Terms of Appointment, subject to the Companies Act, 2013, SEBI Regulations and Other documents of the Company.**

#### **Appointment**

The appointment of an Independent Director will be for a maximum term of upto five consecutive years, subject to the approval of the shareholders and annual performance evaluation in the Board. The Independent Director shall not be liable to retire by rotation.

During the tenure, the Independent Director may be requested to serve on one or more of the committees of the Board. Copies of the terms of reference for each of those committees will be provided at the appropriate time.

The Independent Director is requested to kindly peruse the Articles of Association to understand certain circumstances under which the appointment may cease.

#### **Role & Duties**

The Company attaches the highest importance to all-round perspective of an Independent Director while on the Board. The Company hopes to derive the benefit of vast experience of the Independent Director on business matters and in advising the Company as mentioned in Section 166 of the Companies Act, 2013 ("Act").

#### **Fees / Commission**

The Independent Director will be entitled to remuneration by way of sitting fees for attending meetings of the Board, or Committee thereof, or any other purpose as may be decided by the Board, together with reimbursement of expenses for participation in the Board and committee meetings. The Independent Director will also be entitled to profit linked commission as per applicable provisions of the Act. The profit linked commission which would be based on:

- Number of meetings attended.
- Role and contribution as member of the Board.
- Role and contribution as Chairperson / member of the Committee(s), as applicable.
- Overall contribution and time devoted outside meetings.

The fee for attending meetings of the Board or Committee (s) thereof will be as prescribed by the Act, subject to applicable approvals, if any.

#### **Reimbursement of Expenses**

The Company will reimburse the Independent Director for all reasonable out of pocket expenses incurred while carrying out his / her duties.

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### **Other Directorships and Business Interests**

The Board of Directors has an obligation to act in the best interest of the Company. While the Company acknowledges that the Independent Director may have business interests other than those of the Company, Independent Director is requested to inform the Company Secretary of any apparent situations that present a potential or actual conflict of interest. The Independent Director is requested to inform the Company on accepting Directorships of other companies.

In compliance with the requirements of the Act, Independent Director is required to make certain disclosures related to and/or which might affect his/her role as a Director. These include:

- Promptly advising details of any interests, or changes thereto, in the Company's securities;
- Provide a current list of related parties and companies in which he/she hold positions as Director or other positions.

### **Code of Conduct & other Compliances**

During the appointment, the Independent Director would be required to comply with all relevant regulations as may be issued by the Government of India and other authorized bodies as set up by the Government on its behalf, including the Code for Independent Directors, Insider Trading Code, and such other requirements as the Board may specify from time to time.

At the first meeting of the Board in every financial year, or whenever there is any change in the circumstances which may affect his/her status as an Independent Director, he/she will give a declaration to confirm that he/she meet the criteria of independence as provided under the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **Confidentiality**

As an Independent Director of the Company, he/she will be in possession of confidential information about the Company and its affairs. He/she may kindly use that information in the proper performance of duties only or as required by law.

Independent Director must apply the highest standards of confidentiality and not disclose to any person or company (during the course of the Appointment or within 3 (three) years after the cessation), any confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unless such disclosure is expressly approved by the Board or required by law.

### **Performance Review Process**

As required by the law, the performance of Independent Director will be evaluated by the Board of Directors on an annual basis.

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### **Cessation**

On cessation of the Appointment, the Independent Director shall deliver to the Company all books, documents, papers and other property of or relating to the business of the Company or any Subsidiary/Associate company. The Company shall arrange disposal of papers which would no longer be required.

### **Publication of the terms and conditions of appointment**

In line with provisions of Schedule IV of the Act and the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is required to disclose the terms and conditions of appointment on its website.

**Encl.: Code for Independent Directors**

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### **CODE FOR INDEPENDENT DIRECTORS**

(As per Schedule IV of Companies Act, 2013)

This Code is a guide to professional conduct for Independent Directors. It is felt that adherence to these standards by Independent Directors and fulfillment of their responsibilities accordingly, will promote confidence of the investment community, the minority shareholders and regulators in the institution of Independent Directors.

#### **I. Guidelines of professional conduct:**

An Independent Director shall:

- 1) uphold ethical standards of integrity and probity;
- 2) act objectively and constructively while exercising his/ her duties;
- 3) exercise his/ her responsibilities in a bona fide manner in the interest of the Company;
- 4) devote sufficient time and attention to his/ her professional obligations for informed and balanced decision making;
- 5) not allow any extraneous considerations that will vitiate his/ her exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring or dissenting from the collective judgment of the Board in its decision making;
- 6) not abuse his/ her 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;
- 7) refrain from any action that would lead to loss of his/ her independence;
- 8) where circumstances arise which make an Independent Director lose his/ her 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:**

Independent Directors shall:

- 1) help in bringing an independent judgment to bear on the deliberations of the Board, specially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- 2) bring an objective view in the evaluation of the performance of board and management;
- 3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- 5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- 6) balance the conflicting interest of all stakeholders;
- 7) determine appropriate levels of remuneration of executive directors and key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive director, key managerial personnel and senior management;
- 8) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

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### **III. Duties:**

Independent Directors shall:

- 1) undertake appropriate induction and regularly update 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 and opinion of outside experts at the expense of the Company;
- 3) strive to attend all meetings of the Board of Directors and Committees of the Board of which he/she is a member;
- 4) participate constructively and actively in the committees of the Board, where nominated;
- 5) strive to attend the annual/special general meetings of the Company;
- 6) ensure that his/her concerns about the running of the Company or a proposed action are addressed by the Board. If not resolved, the concerns be recorded in the minutes of the Board meeting;
- 7) keep themselves well informed about the Company and the external environment in which it operates;
- 8) not to unfairly obstruct the functioning of an otherwise proper 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 interest of the company;
- 10) 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;
- 11) report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct or ethics policy;
- 12) Act within his/ her authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- 13) 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.

### **IV. 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 balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- 2) The appointment of Independent Director(s) of the Company shall be approved by the shareholders.
- 3) The explanatory statement attached to the notice for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder, and that the proposed director is independent of the management.
- 4) The appointment of Independent Directors shall be formalised through a letter of appointment, which shall set out:

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- a) the term of appointment;
  - b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - c) the fiduciary duties that come 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 employees to follow;
  - f) the list of actions that a director should not do while functioning as such in the Company; and
  - g) remuneration, periodic fees, reimbursement of expenses for participation in the Boards 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 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-appointment:**

The re-appointment of Independent Director shall be based on annual performance evaluation.

### **VI. Resignation or Removal:**

- 1) Resignation or removal of an independent director shall be as provided in sections 168 and 169 of the Companies Act.
- 2) An Independent Director who resigns, or is removed, from the Board shall be replaced by a new Independent Director within such time as prescribed in applicable law.
- 3) Where the Company fulfils the requirement of Independent Directors in its Board without having to fill the vacancy created by such resignation/removal, the requirement of replacement by a new Independent Director shall not apply.

### **VII. Separate Meetings:**

- 1) Independent Directors of the Company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and other members of management;
- 2) All Independent Directors of the Company shall strive to be present at such meeting;
- 3) The meeting shall:
  - a) review the performance of non-independent directors and the Board as a whole;
  - b) review the performance of the Chairperson of the Company after taking into account the views of the executive directors and non-executive directors;
  - c) assess the quality, quantity and timings of the flow of information between the Company management and the Board so that the Board and its members can perform their role effectively.

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### **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 performance evaluation, the Board will decide whether to extend or continue the term of appointment of the Independent Director.