

TERMS AND CONDITIONS FOR APPOINTMENT OF INDEPENDENT DIRECTORS (PUBLIC INTEREST DIRECTOR) OF METROPOLITAN STOCK EXCHANGE OF INDIA (MSEI)

1. Appointment:

The appointment of Independent Director shall be governed by the provisions of the Companies Act, 2013 (“the act”), Securities Contract (Regulation) (Stock Exchange and Clearing Corporations) Regulations, 2012 (“SECC Regulations”), SEBI Circular dated December 13, 2012 on Procedural norms on Recognitions, Ownership and Governance for Stock Exchange and Clearing Corporations, Article of Association of the Exchange and other applicable laws.

The Exchange has duly constituted various committees under the various provisions of the Act, SECC Regulations, SECC Circular and other applicable laws. You may be appointed as a member in any of the committee as per the discretion of the Board.

2. Term:

Though the Companies Act, 2013 allows an Independent Director to hold office for a term upto five years and a maximum of two terms, the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations), Regulations, 2012 of SEBI states that a Public Interest Director (who are essentially independent directors) nominated by SEBI can hold office for a fixed term of three years from the date of approval from SEBI unless SEBI extends the same. The independent director shall hold office for a term of three years from the date of original appointment and shall not be liable to retire by rotation during the said term.

3. Role, Duties and Responsibilities:

Independent Directors are expected to bring objectivity and independence of view to the Board’s and Board committees, if any, and to help provide the Board with insight and effective leadership in relation to the Exchange’s strategy, performance and risk management as well as ensuring high standards of financial probity and Corporate Governance. The role and duties of the Independent Directors shall those normally

required of the Independent Director under the Act, SECC Regulations, SEBI Circular dated December 13, 2012 and the Listing Agreement. There are certain duties prescribed for all Directors, both Executive and Non- Executive, which are fiduciary in nature and the same are specified under Section 166 of the Act.

In addition to the above requirements, you are also required to discharge the duties, roles and functions as applicable to Independent Directors as stated under Schedule IV to the Act, as in force and as may be amended from time to time.

4. Code of Conduct & other compliances:

During the appointment, the independent directors would be required to abide by the code for Directors and such other requirements as the Board of Directors may from time to time specify.

At the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect the status of their independence, a declaration to that effect shall be given confirming that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and Listing Agreement.

5. Performance Evaluation :

The performance evaluation of every director will be conducted on annual basis, based on the parameters and guidelines as framed by the Nomination & Remuneration Committee.

6. Remuneration:

Independent Directors are entitled to sitting fees for attending each meeting of the Board and Committee (if member of any) as may be decided by the Board from time to time.

Independent Directors will not be entitled to any stock options during their tenure as Independent Director.

7. **Training:**

To enhance the skills and knowledge, the Independent Directors would be regularly updated on the changes in the policies, laws and regulations, developments in the business environment etc. if any in the respective Board meetings.

After the induction of any new director on the Board he/she will be familiarized with the provision applicable to the Company, Code of Conduct etc. The Company will also provide such other details and information, as required by a new Independent Director on the Board of the Exchange.

8. **Publication of the terms and conditions of appointment:**

As per Clause 49 of the Listing Agreement, the terms and conditions of appointment shall be disclosed on the website of the company.

9. **General:**

All the terms as mentioned shall be governed by the Act, SECC Regulations and SECC Circular made thereunder and Corporate Governance requirements under the Listing Agreement, as amended from time to time.