



## ZEN TECHNOLOGIES LIMITED

(ISO : 9001 : 2008 & ISO 27001 : 2005 Certified)

Regd. Office : B-42, Industrial Estate, Sanathnagar

Hyderabad - 500 018, Telangana, INDIA

Phone : +91 40 23813281, 23811205, 23811206

Phone : +91 40 23812894. Fax : +91 40 23813694/4894

Email: [investors@zentechnologies.com](mailto:investors@zentechnologies.com)

Website: [www.zentechnologies.com](http://www.zentechnologies.com)

Corporate Identity Number: L72200TG1993PLC015939

### **Terms and Conditions of Appointment of Independent Director**

#### **1. The Term of Appointment**

The provisions of the Companies Act, 2013 and rules thereto and Listing Agreement (including any amendment thereto from time to time) to the extent applicable, shall apply on the appointment of Independent Directors.

In compliance with the provisions of Section 149 read with Schedule IV of the Companies Act, 2013, the appointment of the Independent Directors will be for a term of 3 (three) consecutive years from 1 April 2014 up to 31 March 2017 (except Cmde Sarvotham Rao, who retires on 29 June 2015 in accordance with the retirement age policy for Directors of the Company). The Independent Directors will not be liable to retire by rotation. Their appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the Listing Agreement.

The Independent Director may be required to serve on one or more of the Committees of the Board established by the Company. The appointment on such Committee(s) will be subject to the applicable regulations.

#### **2. Role, duties and responsibilities**

As a member of the Board, Independent Directors along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the Companies Act, 2013.
- "Responsibilities of the Board" as outlined under Clause 49 of the Listing Agreement
- Accountability under the Director's Responsibility Statement

They shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013 and duties of directors provided in the Act and Listing Agreement.

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

#### **3. Time Commitment and Expectation**

The 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, and risk management as well as ensuring high standards of financial probity and Corporate Governance. The Board meets atleast four times in a year. The Audit Committee also meets atleast four times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee meetings etc which are ordinarily convened as per the requirement.

The Independent Director is expected to attend Meetings of Board, Board Committees to which they may be appointed and Shareholders meetings and agree to devote such time, as appropriate to discharge their duties effectively. Ordinarily, all meetings are held in Hyderabad.

#### **4. Disclosures, other directorships and business interests**

During the term, the Independent Directors are required 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. The Independent Directors agree that upon becoming aware of any potential conflict of interest with their position as Independent Director of the Company, they shall promptly disclose the same to the Chairman and the Company Secretary.

During their term, the Independent Directors agree to promptly provide declaration under Section 149(7) of the Act, upon any change in circumstances which may effect their status, as Independent Director, confirming compliance with the said criteria of independence every financial year.

#### **5. Confidentiality**

All information acquired during the tenure of appointment is confidential and should not be released/communicated, either during 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, the Independent Director shall surrender any documents and other materials made available to them by the Company. The obligation of confidentiality shall survive termination or cessation of directorship with the Company.

#### **6. Performance Evaluation**

Performance of the Independent Directors as well as the performance of the entire Board and the Committees will be evaluated annually as may be required under the provisions of the law. The appointment and reappointment on the Board shall be subject to the outcome of the yearly evaluation process.

#### **7. Code of Conduct**

During the appointment, the Independent Director shall comply with the following codes of conduct:

- a. Code of Conduct for Board of Directors
- b. Code of Conduct for prevention of Insider Trading
- c. Code for Independent Directors as provided in Schedule IV to the Companies Act, 2013

and such other requirements as the Board of Directors may from time to time specify.

#### **8. Remuneration**

The Independent Director shall be paid sitting fees for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders, if any, from time to time.

The sitting fees presently paid to the Independent Director is Rs 20,000/- per meeting of the Board or of Committee (Audit Committee) thereof.

In addition, the Company shall reimburse the Independent Directors the expenses incurred by them for participation in the Board and other meetings in the performance of their roles and duties.

### **9. Liability**

The independent director shall be held liable, only in respect of such acts of omission or commission by the company which had occurred with their knowledge, attributable through Board processes, and with their consent or connivance or where they had not acted diligently with respect of the provisions contained in the Companies Act, 2013 and the Listing Agreement.

### **10. Termination**

The Independent Director may resign from the position at any time and should they wish to do so, they are requested to serve a reasonable written notice on the Board. In terms of provisions of the Companies Act, 2013, the Independent Director is required to file a copy of resignation letter with the Registrar of Companies.

The directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Companies Act, 2013, the directorship may be terminated for violation of any provision of the Code of Conduct as applicable to Directors.

Notwithstanding other provisions of appointment, the Independent Director shall be terminated on failure to meet the parameters of Independence as defined in Section 149(6) or on occurrence of any event as defined in Section 167 of the Companies Act, 2013 or on any other statutory requirement.

### **11. Changes of personal details**

During the term, the Independent Director 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.

\_\*\*\*\_