

Terms and Conditions of Appointment of Independent Directors of Linkhouse Industries Limited

Schedule IV to the Companies Act, 2013 provides for the 'Code for Independent Directors'. The appointment of Independent Directors is independent of the company management. During the selection process, the Board ensures that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

The appointment of Independent Director(s) of the Linkhouse Industries limited is approved at the meeting of the shareholders. The Board always ensures that 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 and a statement to that effect is included in the explanatory statement attached to the notice of the meeting.

The terms and conditions for the appointment of the Independent Director are enumerated below:

Appointment

- The appointment is for a term of 5 (five) years commencing from the date of appointment and ending ('Termination Date') on Annual General Meeting of the Company following the date of appointment and shall not be liable to retirement by rotation. Unless the appointment is renewed on or prior to the Termination Date, the appointment shall come to an end on the Termination Date. The appointment is as per the Company's Articles of Association.
- Notwithstanding the other provisions of the terms and conditions of the appointment of the Independent Director, the appointment may be terminated with or without cause at any time by the Company with immediate effect, in accordance with the Companies Act, 2013 and Rule and Regulations made thereunder and the Company's Articles of Association or, as applicable, or upon the resignation of the Independent Director, or the Board of Directors (excluding the concerned Independent Director) is of opinion that the continued appointment is not in the interest of the Company. Upon such termination or resignation of the appointment for any reason, the Independent Director shall not be entitled to any damages for loss of office and no fee will be payable in respect of any unexpired portion of the term of the appointment or any damages whatsoever. Upon such termination or resignation, the Independent Director will have to undertake to sign all appropriate paperwork that the Company may require.
- During the term of the appointment, the Independent Director may be asked to serve on one or more of the Board Committees including Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee or such committee of the Board of the Directors from time to time and copies of the terms of Reference for each of those committees will be provided to him.
- If circumstances change, and the Independent Director believes that his independence may be in doubt, he should discuss this with the Chairman of the Company as soon as possible.

Time Commitment

By accepting the appointment, the Independent Director confirms that he is able to allocate sufficient time to perform his role as an Independent Director of the Company.

In terms of the Companies Act, 2013, he will have to attend at least one Board Meeting during every Financial Year in-person. Also, he will strive to attend the Board / its committees' calls whenever scheduled as per the best convenience of all the attendees.

Role and responsibility

- As an Independent Director, he will be bound by the Code for Independent Directors as mentioned under Schedule IV to the Companies Act, 2013.
- As an Independent Director, he has the same general legal responsibilities to the Company as any other Director including all fiduciary duties, responsibilities, statutory obligations and liabilities of directors prescribed in law including the Companies Act, 2013.
- The Board as such is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs. The brief description of the terms of reference of the Board of Directors are as follows:
 - To manage and direct the business and affairs of the Company;
 - To manage, subject to the Articles of Association of the Company, its own affairs, including planning its composition, selecting its Chairman, appointing Committees, establishing the terms of reference and duties of Committees and determining Directors' compensation;
 - To act honestly and in good faith in the best interests and objects of the Company, its employees, its shareholders, the community and for protection of environment;
 - To exercise due care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and shall also exercise independent judgment;
 - To participate directly or through its Committees, in developing and approving the mission of the business, its objectives and goals and the strategy for their achievement;
 - To ensure congruence between shareholders' expectations, Company's goals, objectives and management performance;
 - To monitor the Company's progress towards its goals and to revise and alter its direction in light of changing circumstances;
 - To approve and monitor compliance with all significant policies and procedures by which the Company is operated;
 - To ensure that the Company operates at all times within applicable laws and regulations and ethical and moral standards;
 - To ensure that the audited annual financial statements are reported fairly and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India;
 - To ensure that any developments that have a significant and material impact on the Company are reported from time to time to the concerned authorities;
 - Not to involve in a situation which may have a direct or indirect interest that conflicts, or possibly may conflict with the interest of the Company;
 - Not to achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company;
 - Not to assign his office and any assignment so made shall be void; and

- To act in accordance with the laws and regulations of the country and the Memorandum and Articles of Association of the Company.
- In addition to the above responsibilities, the role of the Independent Directors shall also have the following key elements:
 - Strategy and Business Development: The Independent Director should constructively challenge and contribute to the overall strategy and to the business development initiatives of the Company by getting actively engaged with the Company in making introductions to potential clients in the key service areas of the Company;
 - Performance: The Independent Director should scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance; and
 - Risk: The Independent Director should satisfy himself that financial information is accurate and that financial controls and systems of risk management are robust and defensible.

Other obligations and compliances

The Independent Director will be required to execute / confirm with respect to the following documentation on a periodic basis:

- Confirmation that he is not disqualified to act as a Director of the Company in terms of the Companies Act, 2013
- Declaration of Independence in terms of the Companies Act, 2013
- Disclosures under the Company Code for Prevention of Insider Trading
- Code of Conduct for Directors of the Company
- Code of Conduct for Independent Directors as per Schedule IV of the Companies Act, 2013
- Disclosure of change in interest in companies where he is appointed / ceased as a Director or Key Managerial Personnel
- Confirmation that his directorships in companies do not conflict with the interest of the Company.

Remuneration

As Independent Directors they shall be paid sitting fees for attending the meetings of the Board and the Committees, as may be applicable, of which they are members. The sitting fees for attending each meeting of the Board and its Committees would be as determined by the Board from time to time.

Expenses

In addition to the compensation described in above, the Company will reimburse the official travel expenses, hotel expenses, and all other reasonable out of pocket expenses borne by the Independent Director for participating in Board and other Committee meetings and other Business meetings.

Other directorships and Business Interests

- The Company acknowledges that Independent Director may have business interests in other companies. In the event that he becomes aware of any potential conflicts of interests, these should be disclosed to the Chairman and Company Secretary as soon as they become apparent.

- During the appointment, he should consult with the Chairman prior to accepting any such other (or further) directorships of Indian companies or any major external appointments which may affect his interest in the Company.

Code of Conduct

During the period of the appointment, the Independent Director will be bound by the Company Code of Directors and such other codes of conduct under applicable laws including the Companies Act, 2013 and the Securities and Exchange Board of India Act, 1992.

Confidentiality and Non-Disclosure

- The Independent Director must apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the appointment or at any time after its termination) any confidential information concerning the Company and any Group Companies (including wholly owned subsidiaries) with which he comes into contact by virtue of his position as an Independent Director of the Company.
- Any information concerning the Company's business, its customers, suppliers, etc. which is not in public domain and to which all employees do not have access, should be considered confidential for the purpose and should be held in confidence, unless authorised to do so and when disclosure is required as a requirement of law.
- The attention is drawn to the requirements under Indian regulations as to the disclosure of price sensitive information. The Independent Director shall not provide any information either formally or informally, to the press or any other publicity media without prior written clearance from the Chairman or Company Secretary.
- On termination of the Appointment, the Independent Director will deliver to the Company all books, documents, papers, and other property of or relating to business of the company or any Group Company which are in their possession, custody or power by virtue of their position as an Independent Director of the Company. The Company will arrange the disposal of papers that he no longer requires.
- If there is a breach or threatened breach of the provisions of Confidentiality, the Company shall be entitled to injunctive relief.

Liability

An Independent Director will be liable only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board process, and with his consent or connivance or where he had not acted diligently.

Review Process

The performance of individual Directors and the whole Board and its committees is evaluated annually. The Independent Director will have to make himself available for carrying out the annual / periodic performance review of himself and the Board committees where he is a part thereof for review purpose. Independent Director has to further confirm that he will extend his contribution to review of the Board of Directors individually as well as for its various committees on behalf of / as desired by the Board of Directors on an annual / periodic time frame.

RELATED PARTY TRANSACTION POLICY

1. Purpose of this policy:

A. Linkhouse Industries Limited Limited is governed, amongst others, by the rules and regulations framed by Securities Exchange Board of India (“SEBI”). SEBI has mandated every listed company to formulate a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions.

B. Accordingly, the Company has formulated this policy on materiality of Related Party Transactions and on dealing with Related Party Transactions (“Policy”). This Policy regulates all transactions between the Company and its Related Parties (as defined below).

C. The Audit Committee will review the Policy periodically and may amend the same from time to time and propose the same to the Board for approval.

2. Definitions

A. “Act” shall mean the Companies Act, 2013 and includes any amendment thereof.

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and the Rules thereunder and the Listing Agreement, as amended from time to time.

3. Review and approval of Related Party Transaction

A. Audit Committee

3.A.1. All the transactions which are identified as related party transactions should be pre-approved by the Audit Committee before entering into such transaction. The Audit Committee shall consider all relevant factors while deliberating the related party transactions for its approval.

3.A.2. Any member of the Committee who has a potential interest in any related party transaction will rescue himself and abstain from discussion and voting on the approval of the related party transaction. A related party transaction which is (i) not in the ordinary course of business, or (ii) not at arm’s length price, would require approval of the Board of Directors or of shareholders as discussed subsequently.

3.A.3. The Audit Committee may grant omnibus approval for related party transactions which are repetitive in nature and subject to such criteria/conditions as mentioned under clause 49 and such other conditions as it may consider necessary in line with this policy and in the interest of the Company. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year. Page 2 of 2

3.A.4. Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into by the Company pursuant to the omnibus approval. In connection with any review of a related party transaction, the Committee has authority to modify or waive any procedural requirements of this policy.

3.A.5. A related party transaction entered into by the Company, which is not under the omnibus approval or otherwise pre-approved by the Committee, will be placed before the Committee for ratification.

B. Board of Directors

3.B.1. In case any related party transactions are referred by the Company to the Board for its approval due to the transaction being (i) not in the ordinary course of business, or (ii) not at an arm's length price, the Board will consider such factors as, nature of the transaction, material terms, the manner of determining the pricing and the business rationale for entering into such transaction. On such consideration, the Board may approve the transaction or may require such modifications to transaction terms as it deems appropriate under the circumstances. Any member of the Board who has any interest in any related party transaction will rescue himself and abstain from discussion and voting on the approval of the related party transaction.

C. Shareholders

3.C.1. If a related party transaction is (i) a material transaction as per clause 49, or (ii) not in the ordinary course of business, or not at arm's length price and exceeds certain thresholds prescribed under the Companies Act, 2013, it shall require shareholders' approval by a special resolution. In such a case, any member of the Company who is a related party, shall not vote on resolution passed for approving such related party transaction.

D. Reporting of related party transactions

3.D.1. Every contract or arrangement, which is required to be approved by the Board/shareholders under this Policy, shall be referred to in the Board's report to the shareholders along with the justification for entering into such contract or arrangement

4. Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act or Listing Agreement or any other statutory enactments, rules, the provisions of such Act or Listing Agreement or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Agreement, Act and/or applicable laws in this regard shall automatically apply to this Policy.