



Shemaroo Entertainment Limited

Terms and Conditions of Appointment of the Independent Directors

(Pursuant to Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The terms and conditions of appointment of the Independent Directors of the Company in accordance with the requirements of Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Gnanesh Gala, Mr. Kirit Gala, Mr. VasANJI Mamania and Mr. Shashidhar Sinha, have been appointed as Independent Directors of the Company by the members at their Extra Ordinary General Meeting held on May 26, 2014. CA Reeta Shah has been appointed as an Independent Director of the Company by the members at their Annual General Meeting held on September 21, 2015.

I. TERM:

The Appointment of Mr. Gnanesh Gala, Mr. Kirit Gala, Mr. VasANJI Mamania and Mr. Shashidhar Sinha are for a term commencing from May 26, 2014 up to May 25, 2019 (the “Termination Date”). The Appointment of CA Reeta Shah is for a term commencing from March 28, 2015 up to March 27, 2020 (the “Termination Date”). Unless the Appointment is renewed on or prior to the Termination Date, they will cease to hold office as a director of the Company immediately after the Termination Date.

The Independent Directors will not be liable to retire by rotation.

II. OTHER TERMS AND CONDITIONS:

1. Committees:

- a. Independent Director may be required to serve on one or more of the committees of the Board including Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (“CSR”), and Stakeholders Relationship Committee, as the Board may decide.
- b. He / She is appointed as an Independent non-executive director and will be identified as such in the annual report and other documentation of the Company. If circumstances change, and he believes that his independence will be in doubt, he should discuss the same with the Chairman of the Company as soon as practicable.

2. Role, Duties and Responsibilities:

- a. The Independent Director shall act in accordance with the Articles of Association of the Company and while discharging his duties, comply with the requirements of Section 166 and Schedule IV of the Act.
- b. As members of the Board, the Independent Director along with the other Directors will collectively to be responsible for meeting the objectives of the Board which include:

- Requirements under the Companies Act, 2013 (the Act) and the Rules there under;
- Responsibilities of the Board as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under Reg. 25 of the Listing Regulation;
- Accountability under the Directors' Responsibility Statement; and
- Overseeing the maintenance of high standards of the Company's value and ethical conduct of business.

3. Code of Conduct for Independent Directors:

- a. The Company has relied on the declaration of the Independent Director that he meets the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 (the "Act") as also in Reg. 25 of the Listing Regulation with the Stock Exchanges.
- b. The Independent Director will be required to abide by the guidelines as to professional conduct for independent directors as set out in Section 149(8) read with Schedule IV to the Act.
- c. The Independent Director will be required to comply with applicable provisions of any code of conduct framed by the Board for all Board members and Senior Management of the Company under Reg. 17(5) of the Listing Regulation.

4. Restrictions:

- a. During the term of Appointment, an Independent Director shall not serve as
 - an independent director in more than the prescribed number of listed companies and
 - a committee member of more than the prescribed number of committees (i.e. the Audit Committee and the Stakeholders' Relationship Committee) including chairmanship of such committees.
- b. During the term of appointment, Independent Director shall not indulge in forward dealings in securities of the Company which is prohibited under the Act. Directors are prohibited from dealing in the Company's securities during the period when the trading window is closed. They should not enter into insider trading and are expected to comply with the Company's code for securities dealing as well as with the concerned provisions of the Insider Trading Laws and Regulations.

5. Time Commitment:

By accepting the Appointment the Independent Director confirms that he will be able to allocate sufficient time to perform his duties as a director and attend meetings of the Board or any committee thereof. In addition to such attendances, he will be expected to devote appropriate preparation time ahead of each meeting.

6. Disclosure of Interest:

During the Term, they agree 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.

7. Training and Development:

The Company may, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the Company and its business.

The Company will also, from time to time, inform Independent Directors about business and performance updates of the Company, global business environment, business strategy and risks involved.

8. Remuneration:

As Independent Directors, they shall be paid sitting fees for attending the meetings of the Board. The sitting fees for attending each meeting of the Board would be as determined by the Board from time to time.

In addition to the sitting fees, commission as may be determined by the Board may also be payable to them.

Further, the Company may pay or reimburse to the Directors such expenditure, as may have been incurred by them while performing their role as Independent Directors of the Company. This could include reimbursement of expenditure incurred by them for accommodation, travel and any out of pocket expenses for attending Board/ Committee meetings, General Meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to the expense being reasonable, professional advice from independent advisors in the furtherance of their duties as Independent Directors.

9. Confidentiality:

The Independent Director agrees that both during and after the term of Appointment, he will not use for his own, or for another's benefit, or disclose or permit the disclosure of any confidential information relating to the Company, subsidiary or any group or associate companies of the Company, which he may acquire by virtue of his position as an independent director, including without limitation, any information about the deliberations of the Board. The restriction shall cease to apply to any confidential information which may (other than by reason of the director's breach of this term), become available to the public generally.

10. Indemnity:

The directors are granted an indemnity from the Company in respect of liabilities incurred as a result of their office, to the extent permitted by law.

11. Termination:

- a. They may resign from position of Independent Director at any time by giving a notice in writing to the Company stating the reasons for resignation. In terms of provisions of the Companies Act, 2013, they are required to file a copy of their resignation letter with the Registrar of Companies, Maharashtra.
- b. Continuation of their appointment is contingent on getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. Independent Directors will not be entitled to compensation if the shareholders do not re-elect you at any time.
- c. Their appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

12. Relationship:

- a. The appointment constitutes neither a contract for services nor a service contract.
- b. There will be no relationship of employer and employee as a consequence of appointment as a director of the Company.

13. Governing Law:

The Appointment and the terms are governed by the laws of India.

14. Authority:

The letter of appointment will be issued under the authority of the Board.
