

**CENTURY ENKA LIMITED**

SECR/02

Date : 10.05.2017

**CRITERIA FOR DETERMINATION OF QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF DIRECTOR.**

**1. Introduction**

This Policy is formulated pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to act as a guideline for determining qualifications, positive attributes and independence of a Director.

**2. Objective of the Policy**

The objective of this Policy is to lay down criteria for determining qualifications, competencies, positive attributes, expertise in diverse field of profession and independence of the person being appointed as director.

**3. Appointment of Directors**

**A. Manner of Appointment :**

The process of selecting Directors shall be independent to the Company's Management and the Board shall ensure that there are people from diverse filed with appropriate skills, experience and knowledge so as to enable the Board to discharge its functions and duties effectively.

**B. Identification of Directors :**

(i) Ascertain the integrity, qualifications, expertise and experience of the person for appointment as Director,

(ii) that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

**C. Selection of Independent Directors :**

The person shall be of high integrity with relevant expertise and experience in the diverse fields viz. manufacturing, marketing, management, finance, taxation, law, corporate governance and other areas to bring in a diverse composition on the

Board enabling them to discharge their functions and duties efficiently and effectively.

4. **Independence of Director :**

An Independent Director is to uphold ethical standard of integrity and probity, act objectively and constructively while exercising his duties.

An Independent Director is to adhere the Code formulated under the Companies Act, 2013 and the guidelines issued by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended / modified from time to time so as to fulfil his responsibilities and obligations and promote confidence of stakeholders.

**Code for Independent Director as laid-down under the Companies Act, 2013 :**

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 duties;
- (3) exercise his responsibilities in a bona fide manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his 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 independence;
- (8) where circumstances arise which make an independent director lose his 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:**

The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially 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) scrutinise 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 the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, 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.

## **III. Duties:**

The independent directors shall –

- (1) undertake appropriate induction and regularly update and refresh 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 of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the

extent that they are not resolved, insist that their concerns are 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 behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his 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.



C.B. Gagrani  
(Company Secretary)