



SPECIMEN LETTER OF APPOINTMENT FOR INDEPENDENT DIRECTORS
(Pursuant to Schedule IV of Companies Act, Act)

_____, 2016

STRICTLY PRIVATE AND CONFIDENTIAL

Mr.....

Dear Sir/Madam,

Sub: Appointment as non-Executive Independent Director under the Companies Act, 2013.

We thank you for your confirmation to Music Broadcast Limited (the “company”) that you meet the independence criteria as envisaged in Section 149(6) of the Companies Act 2013 and Regulation 17 to 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also for consenting to hold office as Independent director of the company.

We are pleased to confirm that your appointment is effective from _____, 2016 in terms of the approval granted by the shareholders of the Company in the ___th Annual General Meeting held on the same date and will be for period of 5 consecutive years for a term upto the conclusion of the Annual General Meeting in the calendar year ____ unless terminated earlier by either party giving to the other written notice to this effect. Your continued appointment will be subject to all the requirements of the Company’s articles of association, applicable stock exchange requirements, Companies Act, 2013 and other laws of India, including those relating to the retirement of directors by rotation, as may be applicable. In the event that you are not re-elected at any AGM, your appointment shall terminate immediately without any entitlement to compensation in respect of any loss (including but not limited to loss of future fees).

This letter sets out the terms and conditions of your appointment as independent director on the board of the Company, which are as follows

1. Appointment/Re-appointment

- 1.1. You will serve on the Board of Music Broadcast Limited, as an Independent Director, effective from _____, 2016.
- 1.2. You will not be liable to retire by rotation.
- 1.3. Based on the recommendation of the HR & Nomination Committee and applicable provisions of Companies Act 2013, you will be eligible to be considered for re-appointment by the shareholders. The HR & Nomination Committee will recommend, your re-appointment, taking into account the outcome of the performance evaluation.



2. Membership of Committee

In addition to serving as an independent director of the Company, you may be required to serve on one or more committees of the Board established by the Company. Upon your appointment to one or more committees, you will be provided with the appropriate committee-charter, which sets out the functions of the committee.

3. Time commitment

You will be expected to devote such time as is necessary for the proper performance of your duties as an independent director. It is intended that the Company will hold 4 regular Board meetings in a year, but you may be expected to attend additional meetings, if circumstances require. You will also be required to attend the AGM, if necessary to serve on any committees if requested to do so by the Board and acceptable to you. You confirm that you are currently able to allocate sufficient time to meet these requirements and that you will inform the Board of any subsequent changes to your circumstances which may affect the time you can commit to your duties under this letter.

4. Induction and Role

The directors shall be invited to attend an initial induction to be organized by the company in consultation with independent directors. It will include meeting with key management, auditors, consultants, advisors etc. The Company may conduct Training and familiarization programs for its Independent Directors, as and when required, which you are expected to attend.

We recommend that you attend training and familiarization programs and sessions conducted by management. These would help broaden your understanding of the Company, its business, and the environment and markets in which it operates thereby enabling you to perform your role as director more effectively and efficiently. As part of these programmes you will meet key management members and receive documents pertaining to essential board and company information.

An independent director has the same legal responsibilities as any other director and the Board together has collective responsibility for the success of the Company. The Companies Act, 2013 has introduced additional duties and responsibilities for independent directors of a company including “Code of Independent Directors”, which will have to be complied with.

In addition to provisions Companies Act, 2013 and rules made thereunder (as amended), you will observe compliance with other applicable laws of land including Company’s articles of association and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including provisions on corporate governance) with the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

Further Independent Directors are required to act in the best interests of all shareholders / stakeholders of the company in accordance with the memorandum and articles of association of the company. The fiduciary duties of directors include:



A. Duty, of loyalty to act without conflict and always put the interests of the company before individual interests.

Directors should not be influenced by any financial or personal interest in the course of their dealings on behalf of or with the company. If avoidance is impractical in a given situation then such transactions should be approved by non-interested directors in a manner that ensures arm's length including the right of the non-interested directors to reject the transaction altogether. Independent directors must critically review conflict of interest transactions.

B. Duty of care to take informed decisions

Duty of care carries personal responsibility and demands that directors must exercise due care and diligence in overseeing the management of the business of the company. Directors shall collectively and individually, act prudently in discharging their duties. The duty of care requires that a director informs himself of all material information reasonably available before making a business decision. This duty also requires directors to inform themselves of alternatives to a proposed business decision. The directors may request for any information they deem necessary before taking any decisions.

C. Duty to act in good faith in accordance with the company's codes and policies and adopt best governance practices

The duty of good faith requires that the directors ensure that all the necessary processes are followed to arrive at decisions which are in the best interests of the company.

The directors must follow the following principles in fulfilling their fiduciary responsibilities:

- i. Directors should keep themselves informed of all significant matters related to the company and its business affairs;
- ii. Directors should always act collectively as a board, or as they are specifically authorized by the board and its committees.
- iii. Directors should attend and participate in all meetings as far as possible;
- iv. Directors should ask questions or voice their concerns, if any;
- v. Directors should not disclose confidential information unless expressly authorized to do so by the board or its committees or as may be required in the course of dealings on behalf of the company;
- vi. Directors should disclose their personal and business interest on any matter placed before the board and abstain from voting on such matters;
- vii. Disclose to the company if and when there are circumstances which lead to non-fulfillment of criteria of independence in any manner

In addition to the above indicative fiduciary duties all independent directors are bound by the functions and duties specifically described under the code of conduct provided in Schedule IV of the Companies Act 2013 (*Refer Annexure I*)



The independent directors are also bound by the company's code of conduct and code of business ethics the details of which are available on company's website.

5. Fees and Expenses

The Company will, subject to the provisions in the Act, the applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and obtaining shareholder consent, pay you sitting fees for attending Board and committee meetings. You will also be entitled to the reimbursement of all receipted out of pocket business expenses necessarily incurred in the proper performance of the duties of your office.

The office of non-executive director of the Company is not pensionable by the Company.

6. D & O Insurance

The Company will take an appropriate Directors' and officers' liability insurance policy and pay premiums for the same. It is intended to maintain such insurance cover for the term of your appointment, subject to the terms of the policy from time to time in force (which may be subject to change).

7. Evaluation of the Board

The performance of the Board, its committees and individual directors will be evaluated in accordance with company's policy and framework for Board evaluation.

The results of the performance evaluation will be taken into account at the time of considering your re-appointment on the Board and will also be disclosed in the annual report appropriately.

The criteria of evaluation will be determined by the Nominations and remuneration committee and will be disclosed in the annual report of the company. However, the actual evaluation process will be kept confidential and will be used constructively to improve Board's performance and effectiveness.

8. Conflict of Interest and disclosure

It is accepted and acknowledged that you may have business interests other than those in the Company. As a condition to your appointment, you are required to declare all such directorships, appointments and interests to the Board in writing in the prescribed form annually and as and when there is any change. The Corporate Secretarial Department will assist you in making these disclosures in timely manner.

It is expected that you will not serve on the board of competing companies except without the prior written approval of the Board.

In the event of a change in declaration as aforesaid or a change which impacts your independence as an Independent Director on the company, you shall intimate the Chairman as well as the Company Secretary of the company forthwith.



9. Independent professional Advice

In the course of your duties as a director it may be appropriate for you to take independent advice and in such circumstances the Company will reimburse all professional fees reasonably and properly incurred by you for such advice.

10. Confidentiality

By virtue of your appointment, all the information that you receive from the Company or from its direct or indirect subsidiaries (together the “Group”) and have access to regarding the Company’s and Group’s businesses, transactions, employees and affairs (and including for the avoidance of doubt any information in respect of which the Company or any Group company is bound by an obligation of confidentiality to a third party) should be regarded as confidential. It should not be disclosed, either during your appointment or at any time thereafter to any third party without the prior written approval of the then Chairman of the Company. This requirement shall not apply to information which is legitimately in the public domain or is properly required to be disclosed by any legal or regulatory authority. You should not use confidential information for any purposes other than those of the Company. All Company property should be returned at the end of your appointment and you should ensure that you have not kept copies of Company information in any form whatsoever.

Your attention also is drawn to legal and regulatory requirements regarding price sensitive information which you should observe at all times. You should refrain from making any public statement regarding the Company without the prior written approval of the Chairman.

11. Compliance

Your duties include responsibility for ensuring that reasonable steps are taken in order that the Company, its directors, you and your connected persons (where appropriate) comply with:

- The Companies Act 2013
- SEBI (ICDR) Regulations
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
- The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 between the Company and the BSE and NSE.
- The Company’s code of business ethics with which you are required to confirm compliance annually
- The Company’s code for the prevention of insider trading



This paragraph is without prejudice to your general obligation to comply with all applicable laws, rules or regulations in respect of your appointment as a director of the Company.

12. Publication of this letter of appointment

In accordance with Schedule IV of the Companies Act 2013, the company will make public disclosure of terms and conditions of the your appointment and will also arrange for it to be displayed on the Company’s website

13. Miscellaneous

The letter forms the terms of your appointment as an independent director of the Company. We clarify that this letter is not a contract for service or employment and you will not be entitled to any compensation for loss of office.

The terms of your appointment are subject to the provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Articles of Association of the Company and other laws as may be applicable from time to time. In case of any inconsistency between the statutory provisions and this letter, statutory provisions will prevail over the contents of this letter and the terms of this letter shall stand amended automatically to that extent.

Your terms of appointment including the terms contained in this letter are governed by the Indian Laws and accordingly shall be subject to the exclusive jurisdictions of the Indian courts at Mumbai

I thank you for your continued support and commitment and am confident that the Company will be benefited immensely from your experience and expertise

Please confirm your acceptance by returning a copy of this letter, duly signed.

Thanking You

Yours sincerely,

For and on behalf of Music Broadcast Limited

I confirm, accept and agree to the terms of my appointment as an Independent Director as set out in this letter.

.....
Mr _____

Date:

(Please sign and return the enclosed duplicate copy of this letter.)



GUIDELINES FOR PROFESSIONAL CONDUCT, FUNCTIONS AND DUTIES IN ACCORDANCE WITH SCHEDULE IV OF THE COMPANIES ACT 2013

As an Independent Director, you shall:

- a) Uphold ethical standards of integrity and probity;
- b) Act objectively and constructively while exercising your duties;
- c) Exercise your responsibilities in a *bona fide* manner in the interest of the Company;
- d) Devote sufficient time and attention to your professional obligations for informed and balanced decision making;
- e) Not allow any extraneous consideration that will vitiate your 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;
- f) Not abuse your 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;
- g) Refrain from any action that would lead to loss of your independence;
- h) Where circumstances arise which make an independent director lose your independence, the independent director must immediately inform the Board accordingly;
- i) Assist the company in implementing the best corporate governance practices.
- j) Adhere to the code of conduct of the Company.



Role and Functions

Independent Director shall:

- a) 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;
- b) bring an objective view in the evaluation of the performance of board and management;
- c) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- e) safeguard the interests of all stakeholders, particularly the minority shareholders;
- f) balance the conflicting interest of the stakeholders;
- g) 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;
- h) Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

Duties

Independent directors have a fiduciary responsibility of general duty and care as any other director and the Board has a collective responsibility to act at all times in the interest of the Company. The Board provides active oversight and focuses principally on guidance and advice to management on strategic issues, risk management, operational performance review and compliance requirements. In particular, you shall:

- a) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- b) 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;
- c) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;



- d) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e) strive to attend the general meetings of the company;
- f) 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;
- g) keep themselves well informed about the company and the external environment in which it operates;
- h) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i) 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;
- j) 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;
- k) report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- l) acting within your authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- m) 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.