



EROS INTERNATIONAL MEDIA LIMITED

Policy Name	Corporate Governance Policy
Policy Approval Date	13 th February 2015
Policy Effective Date	1 st October 2014
Date of Board meeting for review of the Policy	8 th February, 2018
Date of Effective of Revised/Reviewed Policy	9 th March, 2018
Policy Owner	Designation: Company Secretary Name: Mr. Abhishekh Kanoi Designation: Chief Financial Officer Name: Mr. Farokh P. Gandhi

Sr. No.	Particulars	Page No.
1	Preamble	3
2	Policy Objectives	3
3	Applicability of Regulations	3
4	Definitions	4
5	Guiding Principles	4
6	Policy	5
6.1	Size and Structure of Board	5
6.2	Independence at Board Level	5
6.2.1	Conflicts of Interest	5
6.2.2	Access to Senior Management	6
6.2.3	Access to Independent Advisors	6
6.3	Director Familiarization Program	6
6.4	Board Meetings & Materials	6
6.5	Responsibilities and Duties of Board	7
6.6	Performance Evaluation of Board and Committees	10
6.7	Code of Conduct	10
7	Disclosure	12
8	Review of Policy	12
9	Policy Ownership	13
10	Deviation of the Policy	14
10	Annexure	14

1. Preamble

The 21st century began with a series of corporate events across the world, which put the spotlight on corporate governance. In the current scenario, corporate governance involves a web of relationships between a company's management, its board, shareholders and other stakeholders. Eros International Media Limited has maintained high standards of corporate governance principles by committing itself to adopt best practices.

The Company's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency and accountability, in all facets of its operations and in all interactions with its various stakeholders.

The Board of Directors (the "Board") of Eros International Media Limited (the "Company") has adopted this Policy upon the recommendation of the Audit Committee and the said Policy includes process of Corporate Governance (the "Policy") in compliance with the regulatory requirements. Amendments to the Policy, if any, shall be considered by the Board based on the recommendations of the Audit Committee from time to time.

2. Policy Objectives

This Policy prescribes a set of systems, processes and principles conforming to corporate governance. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation") prescribes minimum standard of Corporate Governance as required by the law to be complied with for all listed companies. Certain set of policy standards are important to ensure ongoing protection of interest of the investors and other stakeholders. Continuous evaluation of the Corporate Governance approach is necessary to ensure continuing relevance, effectiveness and responsiveness to investors and all other stakeholders. The overall objective of this policy is to ensure that concerned officers act in accordance with the highest standards of governance and are adequately sensitized about the need for and required obligations for Corporate Governance. Spirit of Transparency and fairness is at the heart of Corporate Governance. Sprit of Governance should be a guiding factor in arriving at the decisions and actions.

3. Applicability of Regulations

Sr. No.	Regulations	Section/Clause
1	Listing Regulation	Chapter IV
2	Companies Act 2013	Exhaustively Applicable

* Note: Refer Compliance Annexure for detailed sections, clauses and rules.

4. Definitions

- 4.1. “**Act**” means the Companies Act 2013 and the rules framed there under, including any modifications, amendments, clarifications, circulars or re-enactments thereof.
- 4.2. “**Audit Committee or Committee**” means the Committee of Board constituted from time to time under the provisions of Listing Regulation and Section 177 of the Companies Act, 2013 and as amended from time to time.
- 4.3. “**Board of Directors**” or “**Board**”, in relation to a Company, means the collective body of the directors of the company and as amended from time to time.
- 4.4. “**Company**” means Eros International Media Limited.
- 4.5. “**Nomination and Remuneration Committee**” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Listing Regulation.
- 4.6. “**Resident Director**” is a director who has stayed in India for a total period of not less than 182 days in the previous calendar year.
- 4.7. “**Independent Director**” means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and the Listing Regulation.

5. Guiding Principles

- Corporate Governance framework of effective accountability.

- Governance in spirit over Governance in law is the foundation for Corporate Governance
- Be transparent and maintain a high degree of disclosures levels. When in doubt, disclose it.
- Make a clear distinction between personal convenience and corporate resources.
- Communicate externally, in a truthful manner, about how the Company is run internally.
- Have a simple and transparent corporate structure driven solely by business needs.
- Comply with the laws in all the countries of operations.
- Policy on Corporate Governance must provide empowerment to the executive management of the Company, and simultaneously create a mechanism of checks and balances which ensures that the decision making powers vested in the executive management is not only used in the bona-fide interest of the company, but is used with care and responsibility to meet stakeholder aspirations and societal expectations.

6. Policy

6.1. Size and Structure of Board

The Board size and structure shall be established after considering the applicable law i.e. Companies Act, 2013 and Regulation 17 of the Listing Regulation. The Board will periodically review the appropriate size of the Board

Due care shall be taken to maintain Board diversity and to comply with the Company's existing Board Diversity Policy.

6.2. Independence at Board Level

6.2.1 Conflicts of Interest

The Board expects from all its directors, as well as officers and employees, to act ethically at all times and in accordance with applicable Company codes of ethics. If an actual or potential conflict of interest arises for a director, the director shall promptly inform the Chairman and the presiding director. If a significant conflict exists and cannot be resolved, the director should resign. The Board shall resolve any conflict of interest question involving the Chairman, or a Board member, and

the Board or a designated committee thereof comprised of independent directors shall resolve any conflict of interest question involving any other officer of the Company.

6.2.2 Access to Senior Management

Non-employee directors shall have full and complete access to the KMP and Senior Management of the Company and, if desired, without the Reporting Authority of such Senior Management Employee present.

6.2.3 Access to Independent Advisors

The Board and its Committees shall have the right at any time to retain independent outside financial, legal or other advisors at Company's expense.

6.3. Director Familiarization Program

The Company should conduct Familiarization Program with the aim to make the Independent Directors of Eros International Media Limited aware about their role, responsibilities and liabilities in the Company and to learn about the nature of the industry in which the company operates, business model of the Company, etc.

The Company shall through its Executive Directors/ Senior Management Personnel conduct programs/ presentations periodically to familiarize Independent Director about business strategies, management structure, HR Policy, risk management framework, operations of subsidiaries and associates, etc. In case, the Independent directors are interested in meeting any specific department or function or getting any further detail, the same shall also be arranged.

The Board of Directors shall have complete access to the information within the Company.

Familiarization Program is continuous program wherein the Company updates about any developments in the Company and various presentations made during the Board meetings as well.

6.4. Board Meetings and Materials

As laid down in the Companies Act, 2013 and Regulation 17 of the Listing Regulation, the Board must meet at least 4 times a year and in such a manner that not more than 120 days shall intervene between two consecutive meetings of the Board. The annual calendar of meetings shall be agreed upon at the beginning of each year, the quorum for meetings shall be one-third of its total strength or two directors, whichever is higher, and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum and decisions shall be taken by simple majority, unless statutorily required otherwise. Meetings shall be governed by a structured agenda. All major issues included in the agenda shall be backed by comprehensive background information to enable the Board to take informed decisions. Agenda setting out the business to be transacted at the Meeting and notes to the agenda, shall be circulated to the Directors at least seven days prior to the meeting. Minutes shall be circulated within prescribed time as mentioned in Companies Act, 2013 and Secretarial Standards-1 issued by Institute of Company Secretaries of India. Board decisions shall record the related logic as far as practicable.

Directors ordinarily are expected to attend all scheduled Board and Committee meetings, the annual general meeting of shareholders, and are expected to review the materials provided to them in advance of each meeting. The independent directors shall meet at least once in a year separately, without presence of any personnel of the management.

The requirements regarding Board meetings and materials prescribed by the applicable law i.e. Companies Act, 2013, Secretarial Standards-1 issued by Institute of Company Secretaries of India and Listing Regulation, must be complied.

6.5. Responsibilities and Duties of Board

The Board is responsible for providing governance and oversight over the strategy, operations and management of Eros. The Board oversees the Company's Management, to whom it has delegated the authority to manage the day-to-day operations of the company.

Responsibilities of the Board

1. Disclosure of Information

- a. Members of the Board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.
- b. The Board and top management should conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision-making.

Key functions of the Board

The Board should fulfill certain key functions, including:

- (1) Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.
- (2) Monitoring the effectiveness of the listed entity's governance practices and making changes as needed.
- (3) Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.
- (4) Aligning key managerial personnel and remuneration of board of directors with the longer term interests of the listed entity and its shareholders.
- (5) Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors.
- (6) Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
- (7) Ensuring the integrity of the listed entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- (8) Overseeing the process of disclosure and communications.

(9) Monitoring and reviewing board of director's evaluation framework.

Other responsibilities

- (1) The board of directors shall provide strategic guidance to the listed entity, ensure effective monitoring of the management and shall be accountable to the listed entity and the shareholders.
- (2) The board of directors shall periodically review compliance reports pertaining to all laws applicable to the listed entity, prepared by the listed entity as well as steps taken by the listed entity to rectify instances of non-compliances.
- (3) The board of directors shall set a corporate culture and the values by which executives throughout a group shall behave.
- (4) Members of the board of directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.
- (5) The board of directors shall encourage continuing directors training to ensure that the members of board of directors are kept up to date.
- (6) Where decisions of the board of directors may affect different shareholder groups differently, the board of directors shall treat all shareholders fairly.
- (7) The board of directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
- (8) The board of directors shall exercise objective independent judgement on corporate affairs.
- (9) The board of directors shall consider assigning a sufficient number of non-executive members of the board of directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
- (10) The board of directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the listed entity to excessive risk.
- (11) The board of directors shall have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the listed entity's focus.

(12) When committees of the board of directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the board of directors.

(13) Members of the board of directors shall be able to commit themselves effectively to their responsibilities.

(14) In order to fulfil their responsibilities, members of the board of directors shall have access to accurate, relevant and timely information.

(15) The board of directors and senior management shall facilitate the independent directors to perform their role effectively as a member of the board of directors and also a member of a committee of board of directors.

Board functions shall also include empowerment and additional role stated in Table F of Companies Act, 2013 and Code of Conduct for Independent Directors

6.6. Performance Evaluation of Board and Committees

The performance evaluation of Board as a whole, its committees and individual members shall be conducted in accordance with the Board Evaluation Policy of the Company.

6.7. Code of Conduct

The Company has following code of conduct which is required to be adhered to by all the Directors and annual declaration has to be given by them regarding compliance with each code:

- a. Code of Conduct for Directors and senior management personnel
- b. Code of conduct for Independent Directors as per Schedule IV of the Companies Act, 2013
- c. Code of Conduct for Prohibition of fraudulent and unfair trade practices
- d. Code for Fair Disclosure of Unpublished Price Sensitive Information.
- e. Each of the Directors is required to adhere and comply with the above codes and other policies as may be formulated by the Company from time to time.
- f. Report on Corporate Governance

As per the requirement of SEBI Listing Regulation, there shall be a separate section on Corporate Governance in the Annual Report of the company, with a detailed compliance report on Corporate Governance. Internal Certification as well as External Audit Report on Corporate Governance Report is mandatory. Internal Certification is required by Compliance Officer or CEO. The Statutory Auditor Report on Corporate Governance should be certified by External Statutory Auditors or Company Secretary in Practice. It is important to clarify important pertinent aspects which may not be mandatorily required to be part of the report (such as Board Diversity etc) in the Corporate Governance Report.

The suggested list of items to be included in this report is given in Schedule V(C) of the Listing Regulation.

The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any, attached to the financial statement

- I. all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;
- II. details of fixed component and performance linked incentives, along with the performance criteria;
- III. service contracts, notice period, severance fees;
- IV. stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.

g. Board Committees

The standing committees of the Board are the Audit Committee, Nomination and Remuneration Committee, Stakeholder Committee, Corporate Social Responsibility Committee and Management Committee. Each Committee reports directly to the Board.

h. Board Policies/Codes

In order to establish and implement ethical culture, operational frameworks and best practices, the Company must develop, implement and monitor company-wide policies/codes.

i. Reporting Non-Compliance with Governance Practice

In case of known or suspected non-compliance with respect to Charter, Policies/Codes, Internal and External Compliance, approved framework, methodology and over all Company's governance practice, an appropriate recourse to the existing whistle blower mechanism shall be taken. As per Listing Regulation, this mechanism shall provide for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

Existing Whistle Blower Policy must be communicated to the employees at large in order to promote effective Corporate Governance in the culture.

7. Disclosure

Key Disclosure Requirements:

- I. Web link where details of familiarisation programmes imparted to independent directors is disclosed shall be disclosed in by the company in the section on the corporate governance of the annual report.
- II. The details of establishment of Whistle Blower Mechanism, Vigil mechanism and affirmation that no personnel has been denied access to the audit committee shall be disclosed by the company in the section on the corporate governance of the annual report.
- III. The Board shall lay down a code of conduct for all Board members and senior management of the company. The code of conduct shall be posted on the website of the company
- IV. Disclosure of relationships between directors inter-se shall be made in the section on the corporate governance of the annual report..

Companies Act, 2013 - Key Disclosure Requirements:

- I. Comment on whether the company has adequate internal financial controls system in place and operating effectiveness for such controls according to section 134.

- II. The Board of Director's report must include a statement indicating development and implementation of a risk management policy for the company including identification of elements of risk, if any, which in the opinion of the board may threaten the existence of the company according to section 134.
- III. The directors' responsibility statement is required to include a confirmation regarding proper and sufficient care for the maintenance of adequate accounting records for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities according to section 134.

8. Review of Policy

This Policy shall be reviewed by Audit Committee and Board as and when required.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

9. Policy Ownership

The policy awareness and adherence ownership will rest with the Company Secretary and Chief Financial Officer with oversight by Board.

10. Deviation of the Policy

The Executive Directors and Chief Financial Officer of the Company ('Designated Persons') are severally authorised to deviate from any clause and/ or process of the Policy. The Designated Persons shall ensure that such deviation should not be inconsistent with the law. A detailed report of such deviation, if any, shall be placed with the Board of Directors at next meeting.

11. Annexure

Compliance Annexure



Compliance
Annexure - Corporate
