

Corporate Governance Guidelines

2017

Margdarshak Financial Services Limited

1. INTRODUCTION

Corporate governance, for the purpose of these guidelines is defined as the process and structure used to direct and manage business affairs of the company towards enhancing prosperity and corporate accounting with the ultimate objective of realizing shareholders long-term value while taking into account the interest of other stakeholders.

The Board of Directors of Margdarshak Financial Services Limited (“the Company”) has adopted these guidelines to assist the Board in the exercise of its responsibilities to serve the best interests of the Company and its shareholders. These guidelines are not intended to change or interpret any Central or state law or regulation, including the Companies Act, 2013, or the Articles of Association of the Company. These guidelines are subject to refinement or change from time to time by the Board as it deems appropriate.

2. BOARD COMPOSITION AND OPERATION

2.1. Board Size

(a) The company shall have a Board of Directors consisting of individuals as directors and a minimum number of three directors. Subject to this minimum requirement, the number of directors on the Board will be established from time to time by resolution adopted by a majority of the entire Board. The determination of the size of the Board will take into account the oversight and other duties of the Board and its committees.

(b) company shall have at least one director who has stayed in India for a total period of not less than one hundred and eighty-two days in the previous calendar year.

2.2. Selection of Board Members

The Board shall nominate directors for election by the Company's shareholders based on the recommendation of the Remuneration and Nomination Committee and its determination of the suitability of each nominee. The Board shall also fill casual vacancies in existing director positions based on the recommendation of the Remuneration and Nomination Committee. Each of the board members of the Margdarshak has to subscribe to minimum level of qualifications which are detailed below:

- a) An understanding of the operating environment, including knowledge of the key social, economic and strategic issues faced by Margdarshak.
- b) Experience with the duties associated with sitting on a Board of Directors—ideally, experience serving on other Boards—to guide the Founding Board in its first year of business.
- c) An in-depth understanding of regulations surrounding microfinance or ready access to someone who can provide these insights when needed.

- d) An in-depth understanding of either microfinance and its "best practices" or community banking, but not representing another MFI.
- e) Connections to key services, such as legal, audit, or accounting services, to assist the CEO in opening doors to these services.
- f) Connections to funding sources.
- g) Belief in the social and/or financial mission of Margdarshak and a commitment to its preservation.
- h) Adequate time to meet regularly.
- i) Knowledge of the issues articulated or implied in the mission and bylaws.

2.3. Voting for Directors.

In accordance with the Company's Articles of Association, a nominee must receive more votes cast for than against his or her election or re-election in order to be elected or re-elected to the Board.

2.4. Mix of Management and Independent Directors; Lead Independent Director/Non-Executive Chairman.

- a) The board of directors of the company should reflect a balance between independent, non-executive directors and executive directors

- b) At all times, at-least one-third of the total number of directors shall be independent directors as defined under section 149(6) of the Companies Act, 2013. The terms and conditions of appointment and service of Independent Directors shall be governed by the Remuneration and Nomination Policy of the Company and shall be subject to the applicable provisions of the Companies Act, 2013.

- c) The independent directors shall designate a Lead Independent Director who shall be responsible for coordinating the activities of the other independent directors and shall bear such other responsibilities as the independent directors as a whole may designate from time to time.

2.5. Terms of Appointment:

The Board of Directors shall frame a Remuneration and Nomination policy which shall lay down the terms of appointment of the Executive, Non-Executive and Independent Directors, broadly as follows:

- a) Criteria for selection,
- b) Tenure,
- c) Remuneration,
- d) Provisions relating to rotation
- e) Retirement
- f) Performance Evaluation
- g) Removal

The policy shall be subject to periodic review by the Board.

2.6. Board Compensation

The Remuneration and Nomination Committee shall from time to time review the level and form of the Board's compensation, including in relation to other corporations of similar size and a peer industry survey group. Such review will also include a review of both direct and indirect forms of compensation to the Company's directors, including any charitable contributions by the Company to organizations in which a director is affiliated and consulting or other similar arrangements between the Company and a director. Changes in Board compensation may be recommended by the Remuneration and Nomination Committee but will be made after approval of the Board.

2.7. Retirement of Whole-time Directors by rotation

The whole-time directors are subject to retirement by rotation under the provisions of the Companies Act, 2013. In the general meeting the members may fill up the vacancy by appointment of retiring director or some other person thereto. The retiring director is therefore eligible for reappointment. If the place of retiring director is not so filled up, retiring director shall be deemed to have been reappointed at the adjourned meetings unless:

- a) A resolution, whether special or ordinary is required for his appointment or reappointments;
- b) During the board meeting new director can be appointed or same director can be reelected.
- c) If the retiring director has, by a notice in writing addressed to the company or its Board of Directors expressed his willingness to be so reappointed, if the board desire so but it must there must be voting and two third majority agrees upon the same.
- d) However, since the board meeting is held in every quarter of a year, if felt so; office bearers can be changed through extra ordinary meetings and elections, in cases of poor performance of office bearers or any other issues that demands replacements or termination.
- e) In case of appointment of two or more directors, CEO can put up the proposal in the board meeting but only a single resolution will be passed;
- f) Board can decide to develop a succession plan of leaders and suggested to develop pipeline of leaders at various stages i.e. front line, program officers and program managers and governance levels.
- g) Core staff as staff member can participate in board meeting having no voting right; this is part of the leadership development process.

2.8. Orientation

Any new director will be encouraged to attend, at the Company's expense, a director education program. In addition, each new director shall, within three months of election to the Board, spend a day at corporate headquarters for personal briefing by senior management on the Company's strategic plans, financial statements and key policies and practices.

2.9. Continuing Directors' Education.

Each director may attend, at the Company's expense, an accredited director continuing education program each year and it is the intention of the Board that at least one current director (determined on a rotation basis) shall attend, such a program each year.

2.10. Management Succession

The Board believes that senior management succession is one of its most important responsibilities. The Board shall engage in an annual review of senior management succession with the Chief Executive Officer and Vice President, Human Resources that includes an examination of potential interim and permanent candidates for the CEO and other senior management positions. In addition, the Board shall approve and maintain on a continuing basis a short-term succession plan that delineates a temporary delegation of authority to certain officers of the Company if all or a portion of the senior officers should unexpectedly become unable to perform their duties. Once approved, the short-term succession plan shall be in effect until the Board has the opportunity to consider the situation and take action when necessary.

2.11. Board Interaction with Institutional Investors, Analysts, Press and Customers

The Board believes that management generally should speak for the Company. It is expected that each director shall refer all inquiries from institutional investors, analysts, the press or customers to the Chief Executive Officer or his or her designee.

3. BOARD MEETINGS

3.1. Frequency of Meetings and Attendance

The Board has regularly scheduled meetings at least quarterly, and the time-gap between two consecutive board meetings shall not be more than 120 days. Special meetings may be called from time to time as necessary. The Board may also take action from time to time by unanimous written consent through circular resolutions wherever permitted under the Act. It is understood that each director has a duty to attend, whenever possible, all meetings of the Board and of each committee of which he or she is a member. A director who is unable to attend a meeting (which it is understood will occur on occasion) is expected to notify the Chairman of the Board or the Chairman of the appropriate committee in advance of such meeting. Any director may attend a meeting of a committee of which he or she is not a member at the invitation of the Chairman of such Committee.

3.2. Quorum

Directors participating through Electronic Mode in Board and Committee Meeting shall be counted for the purpose of Quorum, unless they are to be excluded for any items of business under the provisions of the Act or any other law. Any Director participating through Electronic Mode in respect of restricted items with the express permission of Chairman shall however, neither be entitled to vote nor be counted for the purpose of Quorum in respect of such restricted items. The restricted items of business include approval of the annual financial statement, Board's Report, prospectus and matters relating to amalgamation, merger, demerger, acquisition and takeover and in meetings of Audit Committee for the consideration

of annual financial statement including consolidated financial statement, if any, to be approved by the Board.

3.3. Advance Distribution of Materials

The Company Secretary of the Company, in consultation with the Managing Director, sets the agenda for each Board meeting and distributes it in advance to the Board. Board members may request that additional items be included on the agenda. As a general rule, Board materials related to agenda items shall be distributed to all members of the Board sufficiently in advance of a meeting in order to enable them to review and reflect on key issues, request supplemental information as necessary and generally prepare for the discussion at the meeting. Sensitive materials may be reserved for distribution at the Board meeting.

3.4. Board Presentations and Access to Employees

Members of management regularly attend Board meetings or portions thereof for the purpose of making presentations with respect to particular areas of operations and to participate in discussions. The Chairman of the Board designates the guest attendees at any meeting. In addition, Board members have full access to other members of management and employees at all times.

3.5. Director Attendance at Annual Meetings of Shareholders

Directors are expected to attend the Company's annual meeting of shareholders. A director who is unable to attend the Company's annual meeting of shareholders (which it is understood will occur on occasion) is expected to notify the Chairman of the Board.

3.6. Meeting of Independent Directors

There shall be held in every calendar year, a meeting of the Independent Directors of the Company, without the presence of any executive or nominee director. The lead independent director will call and preside at such meeting. The Company Secretary shall facilitate the convening and holding of such meetings, if so desired by the Independent Directors.

4. BOARD COMMITTEES

- 4.1. Board committees will be formed to help the board of directors conduct its business rather than to augment the functions of the institution's staff. Committees will also serve as training grounds for board members to take on position of increasing responsibility, such as a board officer. Board committees will be used to improve the quality and efficiency of the board by defining ways to address an issue that the board then considers in making a decision. Boards can assign considerable responsibility to committees; however, committees should never make a policy decision for the full board. For committees to be effective, their work, role, responsibilities, and mandates will be clearly outlined.

4.2. *Number and Structure.*

The Board has three standing committees:

- a) Internal Audit Committee
- b) Board Risk Management Committee
- c) Remuneration and Nomination Committee
- d) Asset Liability Management Committee

4.3. The Board may form temporary committees for the purpose of delegation of specific work, programs or projects. Such Committees shall stand till the completion of the assigned work and report to the Board.

4.4. *Frequency of Committee Meetings and Committee Agenda.*

For standing Committees, the frequency will be defined by the Board. The Chairman of the Committee, in consultation with the Managing Director and the Company Secretary, will draft the agenda. Each committee shall otherwise meet as often as it deems necessary to fulfill its responsibilities. The agendas and meeting minutes of each committee will be shared with the full Board.

4.5. *Composition and Terms of Reference:*

The Committee details are as follows:

Sl NO	Name of Committee	Chairman	Members	Frequency of Meeting	Terms of Reference
1	Internal Audit Committee	Mr. K Prasad	Mr. K Prasad, Ms. Maitrayee Banerjee Ms. Saroj Topno	Quarterly	<ul style="list-style-type: none"> • Recommendation for appointment, remuneration and terms of appointment of the auditors; • Review and monitor auditor's independence and performance and effectiveness of the audit process; • Examination of the financial statement and auditor's report thereon; • Approval or modification of related party transactions; • Scrutiny of inter corporate loans and investments; • Valuation of undertakings or assets of the Company, wherever it is necessary ; • Evaluation of internal financial controls; • Monitoring of end use of funds raised through public officers and related matters. • Audit Committee to call for comments of the auditors about internal control systems, scope of audit including the observations of the auditors and review of the financial statements before submission to the board and may also discuss any related issues with the internal and statutory auditors and the management of the Company. • The Audit Committee shall have authority to investigate into any matter in relation to the items specified or referred to it by Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the Company.
2	Board Risk Management Committee	Mr. K Prasad	Mr. DPS Rathore, Mr. K Prasad, Mr. Saneesh Singh Mr. Rahul J Mittra	Quarterly	<ul style="list-style-type: none"> • Review the risk identification and management process developed by management to confirm it is consistent with the Company's strategy and business plan; • To set out the nature, role, responsibility and authority of the risk management function of the institution; • Review and oversee the overall lending policy, including monitoring and risk management tools; • Review lending practices and quality of loan portfolio; • Ensure that there are effective procedures and adequate resources to identify and mitigate credit risk; • Monitor and evaluate all issues that may materially impact on the present and future quality of the loan portfolio and credit risk management;

					<ul style="list-style-type: none"> • Ensure adequate provisions for loans and advances, bad and doubtful debts and write off policy; • Ensure that the credit policy and risk lending limits are reviewed at least once on an annual basis and as when the environment so dictates; and • Set limits on lending exposure and specific actions for the PAR in line with the institution's risk management programs and market conditions. <p>To look after policies of business continuity & disaster management. To assess the liquidity position & find out whether it is for the benefit of the organization or not.</p>
3	Asset Liability Management Committee	Mr. DPS Rathore	Mr. DPS Rathore, Ms Saroj Topno Mr. Rahul J Mittra	Half Yearly	<ul style="list-style-type: none"> • To provide an independent and objective oversight and review of the information raised by management at different levels; • To monitor limits on loans to deposit and loans to capital ratios as well as the percentage on a particular deposit category as set by the board. • To monitor limits on maximum and minimum maturities for all categories of assets and liabilities set by the board; • To monitor limits on the sensitivity of the net interest margin on changes in market interest rates as set by the board; • To monitor maximum percentage imbalance between rates and sensitive assets and liabilities as set by the board; • To monitor limits on minimum spread acceptable between costs and yields of liabilities and assets as set by the board; • To monitor limits on minimum liquidity provision to be maintained to sustain operations while longer term adjustments are set by the board; • To monitor sources of funds; • To monitor the institution's policies, procedures and holding portfolio to ensure that it achieves its goals.
4	Remuneration & Nomination Committee	Mr.K Prasad	Mr. D P S Rathore, Mr. K Prasad, Ms Maitrayee Banerjee	Half Yearly	<ul style="list-style-type: none"> • The committee to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. • The committee to ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets performance benchmarks, remuneration to directors , key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long- term performance objectives appropriate to the working of the company and its goal. • The committee to identify persons who are qualified to become directors

				<p>and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.</p> <ul style="list-style-type: none">• The committee to carry out evaluation of every director's performance and recommend to the board his/her appointment and removal based on the performance.• The policy of the committee to be disclosed in the board's report. <p>To determine the share options plan & approve the recommendations under ESOP.</p>
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5. FUNCTIONS OF THE BOARD OF DIRECTORS

5.1. Financial Management

- 5.1.1. The fiduciary responsibility of the board of any financial institution is considered greater than that required for many other types of commercial businesses. Protecting financial institutions is a high priority for governments. Without solvent financial institutions, business, commerce, and the economy would become dysfunctional. Liquidity is essential for the deployment of a financial institution's product: money. Moreover, because of their high leverage ratio and impact on the payments system, financial institutions require more stringent internal controls, and more prudent external supervision and regulation, than do non-financial entities.
- 5.1.2. Access to Financial Services: An insolvent MFI likely means an end to a client's access to capital until they find another source of loan funds. As micro enterprise grows, more individuals will come to rely on its success and unlike middle-income individuals with access to multiple forms of financing, low income micro entrepreneurs' growing circle of jobs and income will greatly suffer if the institution providing their financing falters. Similarly, micro entrepreneurs as savers are also at greater risk in the event of loss than are other sectors of the populations.
- 5.1.3. Fiduciary Responsibility to Lenders: microfinance boards incur a fiduciary responsibility when the institution obtains funds from donors. The fiduciary responsibility increases when the institution borrows funds from a local bank, mobilizing deposits, or floating an instrument in the local securities exchange.
- 5.1.4. The Microfinance Sector. In the case of large scale microfinance institutions, insolvency would affect both the domestic and the international sector. The number of individuals suffering losses would be significant. Additionally, insolvency of any of these large MFI's would set the microfinance field back many years. It is likely that lenders and investors to these institutions would become concerned about the viability of this sector in general and possibly react by withdrawing or curtailing financial resources to microfinance.

5.2. Legal Functions

- 5.2.1. The board of directors has several legal obligations:
- a) Ensure compliance with its bylaws/articles of incorporation and internal policies and procedures.
 - b) Ensures that the institution maintains its legal status
 - c) Ensures compliance with government rules and regulations
 - d) Ensure a level of personal liability of the individual directors for the institution's activities. This liability varies by country, but the board members must be keenly aware of the degree of responsibility and immunity provided for them by local law.
- 5.2.2. In representing the interests of the stakeholders and fulfilling their legal obligations, board delegate responsibility to management and hold management internally accountable to a set of objectives and performance standards that the board has defined.

5.3. Risk Management Functions

- 5.3.1. Few areas of the board's oversight responsibilities are more important than the evaluation of the institution's ability to manage risk. Risk management is dependent upon the integrity of the operational internal controls implemented by management.
- 5.3.2. The risk management programme establishes a process of identifying and assessing the major risks covering all areas of the institution's activities. This includes all activities geared toward meeting its strategic, operational, reporting, and compliance objectives. Management then develops ways to manage and mitigate these risks by implementing a very strong system of internal controls. Management is accountable to the board of directors for the state of the institution's risk management and is responsible for reporting to the board of directors its assessment of the institution's risk and its efforts to manage and reduce this risk.
- 5.3.3. The board of directors is responsible to ensure that management has implemented a risk management programme, that resources are allocated for risk management and internal controls, and that there is adequate oversight of the audit function as one of the board of director's responsibilities.

5.4. Monitoring Financial Performance

- 5.4.1. Among the many responsibilities of a board of directors is monitoring performance. The role of the board of directors is to ensure that the financial affairs of the institution are being well managed by management; NOT to actually manage the financial affairs. The board hired a competent executive to do that job.
- 5.4.2. In order to ask relevant and timely financial questions, board members of MFI's need to be familiar with performance monitoring techniques. This requires that the board have a basic understanding of the key quantitative and qualitative information needed to govern an MFI.
- 5.4.3. As with monitoring financial performance, it is important for the board to design a management review system such that management is held to clear objectives. This may be facilitated by developing a format for annual performance plans for the CEO with regular and standardized review of management's progress in fulfilling its plans.

5.5. Monitoring Financial Performance

- 5.5.1. For most institutions, the CEO provides the link between staff and board. Depending on the size of the institution, the governance structure, and the complexity of the operations, the chief financial officer may present the financial reporting to the board of directors at their regular board meetings.
- 5.5.2. The board of directors should review at least quarterly the following financial reports:
- a) Balance sheet – The balance sheet is a snapshot of the institution's financial position at a specific point in time. All amounts are cumulative since the institution began. The statement reads "As at....."
 - b) Income Statement – The Income Statement (also called Profit and Loss Statement) portrays the events that have occurred between the dates of two consecutive balance sheets. The state reads, "For the period..."

- c) Loan Portfolio Information – The portfolio usually is generated by pulling information from the loan tracking information system, the operational reports, and the general ledger system tracking the loan loss reserve (LLR). The information must include:
- d) Portfolio Activity (loans disbursed, active clients, new clients, geographic data, loan fund use
- e) The portfolio aging schedule of delinquent loans, Loans write off recommendations for board approval, and the loan loss reserve activity.
- f) Actual to Budget Comparison of the approved budget – This report provides an analysis of management’s accountability to the board approved budget.
- g) Financial narrative discussing unusual financial transactions, large actual to budget variances, project financial updates, market analysis
- h) Performance ratios benchmarks – Ratios captures a relationship among financial data and monitoring ratios over time provide financial trends for board and management discussion.
- i) Industry standard financial performance and measurement ratios used to compare the industry include:
- j) CAMEL – (Ratio assessment tools – Capital Adequacy, Asset quality, Management capacity, efficiency ratio, and liquidity ratios)
- k) PEARLS – (WOCCU ratio assessment tools; Efficiency, Assets, etc)
- l) Banking Ratios (Many banks use CAMEL rankings)
- m) Microfinance SEEP, donor and practitioner’s new Industry Framework and Standards – the SEEP 18)
- n) MIX – online peer comparison of the microfinance industry

6. CODE OF CONDUCT

- 6.1. Margdarshak Directors are expected to comply with the prescribed Code of Conduct that encourages the development of a spirit of collective decision-making, shared objectives and shared ownership of and respect for board decisions.
- 6.2. Directors must attend meetings, exercise independent judgment, and ensure that they have an appropriate level of understanding of the issues critical to the institution.
- 6.3. Directors should exercise their powers in the interest of the institution and not in their own interest or in the interest of another entity or person. This primarily relates to conflicts of interest, corporate opportunity, and confidentiality.
- 6.4. Director should be conscious of the potential for conflicts of interest and act with care in dealing with such situations. Conflicts of interest are neither inherently illegal nor are they to be regarded as a reflection on the integrity of the board or of the director. Once a director discloses a potential conflict of interest issue, it is the board’s interpretation of the issue that will determine if it is a proper or improper transaction.
- 6.5. Board members should be faithful to the institution’s mission, to be financially sound, and to maximize the institution’s positive impact on society and its needs. This duty grows out of the institution’s reliance on the public’s trust when soliciting donations and grants.

7. RESPONSIBILITIES OF THE DIRECTORS

For the board of directors of Margdarshak, the fundamental responsibilities with respect to governance cover four areas:

- 7.1. A *fiduciary responsibility* to ensure the financial integrity and soundness of the Margdarshak and safeguard the interests of all of its stakeholders;
- 7.2. A *strategic role* in designing corporate strategy by considering the principal risks faced by the institution, and reviewing and approving the business plans formulated by management in the context of the Margdarshak's mission;
- 7.3. A *supervisory function* in delegating to management appropriate operating authorities and approval limits, and supervising its execution of the business plan; and
- 7.4. A *management development responsibility* for selection, evaluation and compensation of the senior management team, including succession planning for Margdarshak's chief executive and other key officers.

8. DUTIES OF THE DIRECTORS

8.1. Duty to the Company

8.1.1. Manage Itself

The Board is responsible for managing its own activities. It must establish a process to select future Board members; orient these members to their duties, elect officers, run Board meetings, document decisions, and create Board policy.

8.1.2. Ensure Legal and Financial Survival of the Margdarshak

The Board is responsible for the financial survival of the Margdarshak and the institution's stewardship of resources. It is also responsible for ensuring that the Margdarshak is compliant with local laws and exhibits fiscal integrity.

8.1.3. Create and Preserve Margdarshak's Mission

The Board is responsible for determining Margdarshak's core purpose and core values. The Founding Board must articulate the mission in such a way that it identifies the results the successful Margdarshak plans to achieve. The Board is responsible to its stakeholders for preserving its stated mission.

8.1.4. Create and Adjust Margdarshak's Bylaws and Key Policies

The Board is responsible for creating, preserving and amending Margdarshak's bylaws—also called statutes and other names—in accordance with local law. It is also responsible for creating Board-level policies that complement these bylaws.

8.1.5. Represent and Protect the Interests of Margdarshak's Shareholders

Margdarshak requires that its Board members go beyond ensuring the financial survival of the organization. Shareholders usually demand a return on their investment. The Board is entrusted with representing these interests. Stakeholders that are not shareholders also want a return on their time and commitment. Usually their return is in the form of a viable institution providing high-quality services.

8.2. Duty to the Board

- 8.2.1.He/She will make every effort to attend all scheduled meetings.
- 8.2.2.He/She will participate in all key Board activities, including the creation or amendment of bylaws and the creation or amendment of policy.
- 8.2.3.He/She will be honest and transparent and commit to working with the Board as a whole, not only with a few individuals.
- 8.2.4.He/She will commit to preserving the integrity of the Board and avoid private interactions with individual members, unless sanctioned by the whole.
- 8.2.5.He/She will take great care to be a steward of Margdarshak's financial and human resources.
- 8.2.6.He/She will do his best to take the time to learn about the special challenges of this institution and to develop the requisite skills for overseeing those challenges.
- 8.2.7.He/She understand that he/she has financial and legal responsibility for the Margdarshak.

8.3. Duty to the Shareholders/ Investors

- 8.3.1.To oversee and govern management and to make corporate decisions on their behalf.
- 8.3.2.To enhance, protect and manage shareholders' interests in the Company
- 8.3.3.To report the performance of the Company.
- 8.3.4.To oversee the long-term interests of shareholders and investors
- 8.3.5.Duty to Avoid Possible Conflicts Of Interest
- 8.3.6.He/ She understands that he/she must refrain from voting on, or influencing in any way, matters where he/she, or others who he/she knows, stand to gain, other than any person's rightful gain as a shareholder. These matters include instances where directly or indirectly, he/she, his/her business, his/her employer, members of his/her family, friends, or social and business colleagues have the possibility to:
 - a) Take a loan from the organization.
 - b) Enjoy increased assets, income or other financial benefit, other than what is agreed to in writing and approved as fair compensation for all Board members or stockholders.
 - c) Gain increased political status or power.
 - d) Gain increased opportunity for employment.
 - e) Gain increased social recognition or social power.