

# TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

## 1. Appointment

In accordance with the provisions of the Companies Act and other applicable laws, your appointment as an Independent Director will be for a term of five years, unless terminated earlier or extended, as per the provisions of this letter or applicable laws (“Term”). As an Independent Director you will not be liable to retire by rotation.

Re-appointment for another term of maximum period of five years at the end of the current term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders by way of Special Resolution. Your re-appointment would be considered by the Board based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.

## 2. Role, duties and responsibilities

- I. As member of the Board you along with the other Directors will be collectively responsible for ensuring the objectives of the Board which include:
  - a) The Company ensuring the requirements under the Companies Act, 2013
  - b) Accountability under the Directors’ Responsibility Statement.
  - c) Overseeing the maintenance of high standards of company’s values and ethical conduct of business,
  - d) Reviewing the business plan, model and monitoring the action plan,
  - e) Overseeing the Company’s contribution to enhancing the corporate social responsibility
  - f) Act not in a manner that unfairly obstructs the functioning of the board and its committees
  - g) Strive to attend all meetings of the board and its committees
- II. You shall abide by the ‘Code for Independent Directors’ as outlined in Schedule IV to section 149(8), and duties of directors as provided in the Companies Act (including Section 166), as may be applicable from time to time.

## 3. Time Commitment

You shall devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as an Independent Director.

#### **4. Remuneration**

- a) As an Independent Director you shall be paid sitting fees for attending the meetings of the Board and the Committees of which you are a member as fixed by the Board from time to time.
- b) Further, the Company shall reimburse to you reasonable travel, hotel or other related expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company. This will include reimbursement of expenditure incurred by you for attending Board/ Committee meetings, Annual General Meetings, Extraordinary General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, induction and training (organized by the Company for Directors) and in obtaining, subject to prior consultation with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.

#### **5. Insurance**

The Company has obtained Directors' and Officers' Liability Insurance policy and you will be covered under the same.

#### **6. Code of Conduct**

As an Independent Director of the Company, you agree to comply with the Code of Conduct for Non-Executive Directors (NEDs). For your reference, the Code of Conduct for Non-Executive Directors is outlined below:

- a) Non-Executive Directors of a Company will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and his/ her role therein;
- b) Non-Executive Directors will comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such Directors in their individual capacities;
- c) Non-Executive Directors will strictly safeguard the confidentiality of all information received by them by virtue of their position.
- d) Unless specifically authorised by the Company, you shall not disclose company and business information to public constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors and importers.
- e) Your obligation of confidentiality shall survive termination or cessation of your directorship with the Company.
- f) We would also like to draw your attention to the applicability of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Code of Conduct on Prevention of Insider Trading Policy, prohibiting disclosure or use of unpublished price sensitive information.

Additionally, you shall not participate in any business activity which might impede the application of your independent judgment in the best interest of the Company. You are required to sign a confirmation of acceptance of the Code of Conduct for NEDs on annual basis.

## **7. Familiarization program**

The Company shall, conduct formal familiarization program for its Independent Directors.

## **8. Performance Appraisal / Evaluation Process**

As a member of the Board, your performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee and disclosed in the Company's Annual Report.

However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee.

## **9. Disclosures, other directorships and business interests**

During the Term, you agree to promptly notify the Company of any change in your directorships, and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the Board and the Company Secretary. Further, you are required to obtain prior consent of the Company in case you intent to join the board of any companies engaged in the same sphere of activities that of IIFL group.

During your term, you agree to promptly provide a declaration under Section 149(7) of the Companies Act, every year and upon any change in circumstances within 20 days which may affect your status as an Independent Director.

## **10. Changes of personal details**

During the term, you shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

## **11. Termination**

Your directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Companies Act, your directorship may be terminated in case of violation of any provision of the Code of Conduct as applicable to Non-Executive Directors.

You may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation and also to Registrar of Companies (RoC). The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by you in the notice, whichever is later.

If at any stage during the Term, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the Companies Act you agree to promptly submit your resignation to the Company with effect from the date of such change.

## **12. Co-operation**

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your Term, you agree to render all reasonable assistance and co-operation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

## **13. Miscellaneous**

This letter represents the entire understanding, and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between yourself and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.

No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.