

**Terms and conditions of appointment of the Independent Directors ('IDs') of the Company in accordance with the requirements of Schedule IV to the Companies Act, 2013.**

Mr. N. Vaghul and Mr. Gautam Doshi were appointed as Independent Directors of PHL Fininvest Private Limited ("the Company") in accordance with section 149, 152 and other applicable provisions of the Companies Act, 2013 ('Act') read with the Companies (Appointment and Qualification of Directors) Rules, 2014 ('Rules') with effect from 27<sup>th</sup> March, 2020.

**Terms and conditions of appointment of Independent Directors:**

**1. Term**

- (i) Appointment as ID is for a period of five consecutive years with effect from the date of appointment / change in designation, unless prematurely concluded by mutual consent, or otherwise as provided hereinafter.
- (ii) Appointment is subject to the articles of association, the applicable provisions of law and the terms contained herein.
- (iii) IDs will continue to /may be required to serve on one or more Committees of the Board. IDs may also be required to serve in any other capacity as the Board may determine, keeping in mind the interests of the Company and/or the requirements of law. While such service sought from ID would always be with their consent, we trust IDs will extend their cooperation in this behalf.

**2. Time Commitment**

- (i) By accepting the appointment the Independent Director confirm that he will be able to allocate sufficient time to perform his duties as a director and attend meetings of the Board or any committee thereof. In addition to such attendances, he will be expected to devote appropriate preparation time ahead of each meeting.

**3. Duties**

- (i) ID will observe the highest standards of ethics in their role as Independent Director on the Board of the Company.
- (ii) ID agrees to observe, in letter and spirit, the duties of directors as stipulated in relevant sections of the Act (as amended or re-enacted from time to time) and the relevant Rules prescribed thereunder (as amended from time to time), in particular, as stipulated in section 166 of the Act.
- (iii) ID would also likewise observe the Code for Independent Directors which is codified as Schedule IV of the Act (as amended from time to time).

- (iv) ID would strive to avoid the occurrence of any events specified under section 167 of the Act (as amended from time to time), that would result in vacation of office as Director. ID would also strive to avoid incurring any of the disqualifications mentioned in section 164 of the Act (as amended from time to time). In the unfortunate event of such events / disqualifications getting attracted, ID would immediately inform the Company of the same.
- (v) ID will promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to –
  - a) the likely consequences of any decision in the long term;
  - b) the desirability of the Company maintaining a reputation for high standards of business conduct.
- (vi) In role as Independent Director, ID will be required to:
  - a) constructively challenge and help develop proposals on strategy;
  - b) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
  - c) satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
  - d) determine appropriate levels of remuneration of executive directors and have a prime role in appointing and, where necessary, removing executive directors, and in succession planning;
  - e) devote time to developing and refreshing their knowledge and skills;
  - f) uphold high standards of integrity and probity and extend their support in instilling the appropriate culture, values and behaviours in the boardroom and beyond;
  - g) take into account the views of shareholders and other stakeholders where appropriate.
- (vii) ID will be required to exercise their powers and discharge their responsibilities as a director in accordance with the applicable law, the Company's Articles of Association and the applicable policies and procedures of the Company.
- (viii) ID will disclose any direct or indirect interest which ID may have in any matter being considered at a board meeting or committee meeting and, save as permitted under the Act and other applicable law, ID will not vote on any resolution of the Board, or its committees, on any matter where they have any direct or indirect interest.
- (ix) Unless specifically authorized to do so by the Board and permitted by law, ID will not enter into any legal or other commitment or contract on behalf of the Company.

#### **4. Remuneration and Expenses**

- (i) ID would receive a fee ('Sitting Fee') for attending meetings of the Board or Committees thereof. The quantum of Sitting Fee shall be such as is determined by the Board from time to time;

- (ii) In addition to Sitting Fee, the Board may also approve payment of performance related commission, which would be within such limit as may be permissible under the Act and as may be approved by the members of the Company.
- (iii) ID would be entitled to reimbursement of all expenses properly incurred by them for participating in the meetings of the Board, its Committees and other meetings.
- (iv) In addition to the above, the Board may in its sole and uncontrolled discretion and subject to and within the framework of applicable law, agree to remunerate ID for any services provided by them to the Company.
- (v) All payments for services rendered are subject to income tax and other statutory deductions and requirements.
- (vi) On termination of the appointment ID shall only be entitled to such fees as may have accrued to the date of termination, together with reimbursement in the normal way of any expenses properly incurred prior to that date.

## **5. Independence and Interests**

- (i) ID have already disclosed to the Board the significant commitments they have outside this role. ID must inform the Board in advance of any changes to these commitments. Where any such change results or is likely to result into any conflict of interest or a conflict of any of their duties to the Company, the prior consent of the Board would have to be sought before accepting such further commitments.
- (ii) In the event that ID become aware of any potential or actual conflicts of interest, these should be disclosed to the Board and the Company Secretary, if any, as soon as they become apparent and, again, the agreement of the Board may have to be sought.
- (iii) ID would continue to maintain the qualifications stipulated under the Act and applicable regulation the Listing Agreement with the Stock Exchanges for being eligible to continue as ID during their term of office.

## **6. Confidentiality**

- (i) ID acknowledge that all information acquired during their appointment is confidential to the Company and should not be released, communicated, nor disclosed either during their appointment or thereafter, to third parties without the prior clearance of the Chairman of the Company.
- (ii) This restriction shall cease to apply to any confidential information which may (other than by reason of ID's breach) become available to the public generally.

- (iii) ID acknowledge the need to receive, hold and retain company information (in whatever format they may receive it) under secure conditions and to take appropriate steps to maintain strict confidentiality thereof.

## **7. Performance Evaluation Process**

The performance of individual directors and the whole Board and its committees will be evaluated annually or at such higher frequency as the Board may decide from time to time.

## **8. Changes to Personal Details**

ID shall advise the Company promptly of any change in address or other personal contact details.

## **9. Return of Property**

Upon cessation of term as Director of the Company, ID shall deliver to the Company property of the Company which may be in their possession or under their control, and which relate in any way to the business or affairs of the Company, and ID shall not retain any copies thereof.

## **10. Premature conclusion of term of appointment**

Existing term of appointment would stand terminated and concluded on the occurrence of any of the following events:

- (i) Upon either party deciding to prematurely conclude the existing term of appointment. In such an event, the party deciding to so conclude the existing term of appointment would serve a reasonable written notice on the other;
- (ii) The Company may terminate ID's appointment if ID:
  - a) commit a material breach of obligations under the terms of appointment; or
  - b) commit any serious or repeated breach or non-observance of their obligations to the Company (which include an obligation not to breach their duties to the Company, whether statutory, fiduciary or common-law); or
  - c) are guilty of any fraud or dishonesty or acted in a manner which, in the opinion of the Company, brings or is likely to bring ID or the Company into disrepute or is materially adverse to the interests of the Company; or
- (iii) In addition to what is stated above, continuation of ID's contract of appointment is also contingent on ID's satisfactory performance as Independent Director and any relevant statutory provisions relating to the removal or disqualification of a director.

## **11. Extension of Existing Term**

Upon the expiry of ID's present term, and subject to their eligibility under the relevant provisions of the Act, Rules, Listing Agreement and other applicable law(s), as prevailing from time to time, the Board may, at its discretion and subject to the outcome of

performance evaluation, recommend to the shareholders an extension or renewal of ID's existing term for such period as it may deem fit and proper, in the interest of the Company.

## **12. Law**

ID's engagement with the Company is governed by and shall be construed in accordance with the laws of India and ID's engagement shall be subject to the jurisdiction of the courts of Mumbai.

For **PHL Fininvest Private Limited**

**Managing Director**