

## **Terms and Conditions of appointment of Independent Directors**

### **Appointment as an Independent Director of Digvijay Finlease Ltd (the Company”)**

#### **APPOINTMENT:**

1. The appointment as a Non-Executive Independent Director on the Board of Directors of the Company is subject to the provisions of the Companies Act, 2013 and approval of members at the forthcoming Annual General Meeting.
2. In compliance with provisions of section 149(13) of the Companies Act, 2013, the directorship is not subject to retirement by rotation.
3. The appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in section 149(6) or on the occurrence of any event as defined in section 167 of the Companies Act, 2013.
4. Upon termination or upon resignation for any reason, duly intimated to the Company, the Independent Director will not be entitled to any compensation for loss of office.

#### **TIME COMMITMENT:**

5. The Non-Executive Independent Directors are expected to bring objectivity and independence of view to the Board's discussions and help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance. The Board generally meets four times in a year. The Audit Committee generally meets at least once in a year or at such interval as may be prescribed by any Regulatory Authority. Besides, there are other Committees like Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholder Relationship Committee and committees as per RBI directions etc. meetings of which are ordinarily convened as per requirements. The Independent Directors will be expected to attend Board meetings and meetings of Board Committees to which they may be appointed and Shareholders meetings and to devote such time to their duties, as appropriate for them to discharge their duties effectively. Ordinarily, all meetings are held in Kolkata including the Annual General Meeting.

#### **ROLE AND DUTIES:**

6. The role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013. There are certain duties prescribed for all Directors, both Executive and Non- Executive, which are fiduciary in nature and are as under:
  - I. Independent Director shall act in accordance with the Company's Articles of Association as may be in force and as amended from time to time.
  - II. Independent Director shall act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company.
  - III. Independent Director shall discharge their duties with due and reasonable care, skill and diligence.
  - IV. Independent Director shall not involve himself/herself in a situation in which he/she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
  - V. Independent Director shall not achieve or attempt to achieve any undue gain or advantage either to himself/herself or to his/her relatives, partners or associates.
  - VI. Independent Director shall not assign his/her office as Director and any assignments so made shall be void.

In addition to the above requirements the Board of Directors also expects the Independent Director to perform the following functions:

- I. They should constructively challenge and help develop proposals on strategy for growth of the Company.
- II. They should evaluate the performance of management in meeting agreed goals and objectives.
- III. They should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are effective and defensible.
- IV. They are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning.
- V. They will take responsibility for the processes for accurately reporting on performance and the financial position of the Company.

**STATUS OF APPOINTMENT:**

7. They will not be an employee of the Company. They will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board.
8. They will have no entitlement to any bonus, commission, incentive etc. during the period of appointment. The Company does not have any employee stock option scheme.

**REIMBURSEMENT OF EXPENSES:**

9. In addition to the remuneration described above, the Company will, for the period of the appointment, reimburse them for travel, hotel and other incidental expenses incurred by them in the performance of their role and duties.

**INDEPENDENT PROFESSIONAL ADVICE**

10. There may be occasions when Independent Directors consider that they need professional advice in furtherance of their duties as a Director and it will be appropriate for them to consult independent advisors at the Company's expense. The Company will reimburse full cost of expenditure incurred in accordance with the Company's policy.

**CONFLICT OF INTEREST:**

11. It is accepted and acknowledged that Independent Directors may have business interests other than those of the Company. As a condition to their appointment, they are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of their appointment and periodically thereafter as applicable.
12. In the event that the circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that Independent Director is independent, this should be disclosed to the Company.

**EVALUATION:**

13. The Board of Directors will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis as per Company's Policy.

**DISCLOSURE OF INTEREST:**

14. Any material interest that a Director may have in any transaction or arrangement that the Company has entered into should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record their interest appropriately and the records are

updated. A general notice that they are interested in any contract with a particular person, firm or company is acceptable.

**CODE OF CONDUCT:**

15. During the appointment they are required to comply with regulations as contained in Schedule IV under Companies Act, 2013, including the Code of Conduct.

**CONFIDENTIALITY:**

16. All information acquired during their appointment is confidential to the Company and should not be released, either during the appointment or following termination (by whatever means) to the third parties without prior clearance from the Company unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, they shall surrender any documents and other materials made available to them by the Company.
17. The requirements under the applicable regulations and the Company's Insider Trading Code which concern the disclosure of price sensitive information and dealing in the securities of the Company. Consequently they should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Company.

**PUBLICATION OF THE LETTER OF APPOINTMENT:**

18. In line with provision of Clause IV sub clause 6 of Schedule IV, under Companies Act, 2013, the Company may make public the terms and conditions of appointment of Independent Director and will also arrange for it to be displayed on the Company's website.

**MEMBERSHIP OF COMMITTEES:**

19. The Board of Directors may appoint Independent Director's as Member / Chairman of one or more of its Committees which will be conveyed in a separate communication setting out the relevant committee's terms of reference and any specific responsibilities.

**TERMINATION**

20. Independent Director may resign from the position at any time and should they wish to do so, they are requested to serve a reasonable written notice on the Board. In terms of provisions of the Companies Act, 2013, they are required to file a copy of the resignation letter with the Registrar of Companies, West Bengal.
21. Continuation of their appointment is contingent on being getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. They will not be entitled to compensation if the shareholders do not re-elect them at any time.
22. The appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time.

**GENERAL:**

23. The appointment of Independent Director and any non-contractual obligations arising out of or in connection with the same are governed by, and shall be construed in accordance with, the laws of India, and the parties agree to submit to the exclusive jurisdiction of the courts of Kolkata.