



# **FDPL FINANCE PRIVATE LIMITED (FFPL)**

**Terms and Conditions**

**of**

**Appointment of the Independent Directors**

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

**A. INTRODUCTION**

- a. Appointment as ID is for a period of two years with effect from the date of appointment / change in designation. ID will not be liable to retire by rotation.
- b. Appointment is subject to the Articles of Association of the Company, the applicable provisions of law and the terms contained herein.
- c. ID will continue to / may be required to serve on one or more Committees of the Board. ID will continue to / may be required to serve as an Independent Director on the Board (and / or Committees thereof) of any of the Company's subsidiaries or joint ventures. ID 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 ID's will extend their cooperation in this behalf.

**B. TIME COMMITMENT**

The schedule of Meetings of the Board and of the Committees are generally fixed one year in advance. In addition to this, depending on business exigencies, additional meetings may be convened.

While the Company would seek ID's convenience for availability for such meetings, this will depend on the convenience of a majority of directors.

ID agree to devote such time as may be necessary for such meetings and for the proper performance of duties. Whilst we recognize that given ID expertise and recognition in industry, ID would have their own commitments, it is mutually agreed that ID will extend full cooperation in attending these meetings and in giving time and commitment to the business of the Company and towards this end, that ID's are able to and will devote, sufficient time to their duties as an Independent Director of the Company.

**C. DUTIES:**

- a. ID will observe the highest standards of ethics in their role as an Independent Director on the Board of the Company.
- b. ID agree 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.
- c. 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).
- d. 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.
- e. ID would observe the Code of Conduct & Ethics and other similar Codes as formulated by the Company from time to time.
- f. 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 –
  - the likely consequences of any decision in the long term;
  - the impact of the Company's operations on the society and the environment;
  - the desirability of the Company maintaining a reputation for high standards of business conduct.

g. In role as an Independent Director, ID will be required to:

- constructively challenge and help develop proposals on strategy;
- scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- satisfy himself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
- 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;
- devote time to develop and refresh ID knowledge and skills;
- uphold high standards of integrity and probity and extend their support in instilling the appropriate culture, values and behaviours in the boardroom and beyond;
- take into account the views of shareholders and other stakeholders where appropriate.

h. 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.

i. 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.

j. 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.

#### **D. REMUNERATION AND EXPENSES**

a. 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.

b. 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.

c. 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.

d. 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.

e. All payments for services rendered are subject to income tax and other statutory deductions and requirements.

f. 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.

#### **E. INDEPENDENCE AND INTERESTS**

a. 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 ID duties to the Company, the prior consent of the Board would have to be sought before accepting such further commitments.

- b. In the event that ID becomes aware of any potential or actual conflicts of interest, the same should be disclosed to the Board or the Company Secretary (if any) as soon as it become apparent and, again, the agreement of the Board may have to be sought.
- c. ID would continue to maintain the qualifications stipulated under the Act for being eligible to continue as Independent Director during their term of office.
- d. ID would need to make additional / fresh disclosures whenever there is a change or potential change in ID's disclosed interest and also annually before the commencement of each financial year. Additionally, ID shall also give an annual declaration that they meet all the criteria for independence as specified in applicable laws.

#### **F. CONFIDENTIALITY**

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

#### **G. 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.

#### **H. CHANGES TO PERSONAL DETAILS**

ID shall advise the Company Secretary (if any) or concerned person promptly of any change in address or other personal contact details and make necessary filings with the competent authority as may be required by the prevalent law.

#### **I. 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.

#### **J. PREMATURE CONCLUSION OF TERM OF APPOINTMENT**

ID's existing term of appointment would stand terminated and concluded on the occurrence of any of the following events:

- a. Upon resignation as a Director of the Company at any time. Should ID wish to do so, ID's are requested to serve a reasonable written notice on the Board;
- b. The Company may terminate appointment if ID:
  - commit a material breach of obligations under this letter; or
  - commit any serious or repeated breach or non-observance of obligations to the Company (which include an obligation not to breach duties to the Company, whether statutory, fiduciary or common-law); or
  - 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;
- c. In addition to what is stated above, continuation of ID's contract of appointment is also contingent on satisfactory performance as Independent Director and any relevant statutory provisions relating to the removal or disqualification of a director.

**K. EXTENSION OF EXISTING TERMS**

Upon the expiry of ID's present term, and subject to their eligibility under the relevant provisions of the Act, Rules, 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.

**L. RIGHTS OF THIRD PARTIES**

No person other than ID and the Company shall have any rights under this letter and the terms of this letter shall not be enforceable by any person other than ID and the Company.

**M. LAW**

- a. ID's engagement with the Company is governed by and shall be construed in accordance with the laws of India and their engagement shall be subject to the jurisdiction of the courts of Mumbai.
- b. This letter constitutes the entire terms and conditions of ID's appointment and no waiver or modification thereof shall be valid unless in writing and signed by the parties hereto.