

## **Terms and conditions of Appointment of Independent Directors**

### **1. Appointment**

In accordance with the provisions of the Companies Act, 2013 (“Act”) and other applicable laws, you will serve as an Independent Director of the Board from \_\_\_\_ (“date of appointment”) through \_\_\_\_ (“First Term”). As an Independent Director you will not be liable to retire by rotation and your appointment is subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.

In terms of the Act, you may be eligible to serve as an Independent Director for another term of up to 5 years, subject to the recommendation of the Nomination and Remuneration Committee and passing of special resolution by the shareholders of the Company.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the (i) applicable laws, including the Act and the Listing Regulations (as amended from time to time) and (ii) Articles of Association of the Company (“AOA”).

### **2. Role, duties and responsibilities**

A. As a member of the Board you along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the Companies Act, 2013,
- Responsibilities of the Board as outlined in the Listing Regulations,
- Accountability under the Directors’ Responsibility Statement

B. You shall abide by the ‘Code for Independent Directors’ as outlined in Schedule IV to Section 149(8) of the Act, and the duties of directors as provided in the Act (including Section 166) and in Regulation 4(2) (f) of the Listing Regulations.

C. You will provide guidance in your area of expertise.

### **3. Professional Conduct for Independent Directors**

As an Independent Director, you shall:

- i. Uphold ethical standards of integrity and probity;
- ii. Act objectively and constructively while exercising your duties;
- iii. Exercise your responsibilities in a bona fide manner in the interest of the Company;
- iv. Devote sufficient time and attention to your professional obligations for informed and balanced decision-making;
- v. not allow any extraneous considerations that may vitiate your exercise of objective independent judgment in the paramount interest of the Company as a whole, while

- concurring in or dissenting from the collective judgment of the Board in its decision-making;
- vi. Not abuse your position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
  - vii. Refrain from any action that could lead to a loss of your independence;
  - viii. Ensure that if circumstances arise under which you may lose your independence, you will immediately inform the Board accordingly;
  - ix. Assist the Company in implementing the best corporate governance practices.

#### **4. Role and Function of Independent Directors**

As an Independent Director you shall:

- i. Help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- ii. Bring an objective view in the evaluation of the performance of the Board and the Management;
- iii. Scrutinize the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance;
- iv. Satisfy yourself on the integrity of financial information and those financial controls and the systems of risk management are robust and defensible;
- v. safeguard the interests of all stakeholders, particularly the minority shareholders;
- vi. Balance the conflicting interest of the stakeholders;
- vii. Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between Management and shareholder's interest.

#### **5. Duties**

As an Independent Director, you shall:

- i. Undertake the appropriate induction into the Board and regularly update and refresh your skills, knowledge and familiarity with the Company;
- ii. Strive to attend every meeting of the Board and of the Board committees of which you are a member;
- iii. Actively and constructively participate in the Board and Committees of the Board in which you may be a member or the Chairperson;
- iv. strive to attend the general meetings of the Company;
- v. keep yourself well informed about the Company and the external environment in which it operates;
- vi. not unfairly obstruct the functioning of an otherwise proper Board or committee;
- vii. ensure that related party transactions are considered carefully before they are approved and are in the interest of the Company;

- viii. ensure that the whistleblower function of the Company is functioning adequately;
- ix. report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics;
- x. within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- xi. Not disclose any confidential information unless such disclosure is expressly approved by the Board or required by law.

## **6. Functions of the Board of Directors**

### 1.1. Key functions of the Board of Directors-

- Reviewing and guiding corporate strategy, major plans of action, risk policy and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures
- Monitoring the effectiveness of the listed entity's governance practices and making changes as needed.
- Aligning key managerial personnel and remuneration of board of directors with the longer term interests of the listed entity and its shareholders
- Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors
- Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
- Ensuring the integrity of the listed entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards.
- Overseeing the process of disclosure and communications

### 1.2. Other responsibilities:

- The board of directors shall provide strategic guidance to the listed entity, ensure effective monitoring of the management and shall be accountable to the listed entity and the shareholders.
- The board of directors shall set a corporate culture and the values by which executives throughout a group shall behave.
- Members of the board of directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.
- The board of directors shall encourage continuing directors' training to ensure that the members of board of directors are kept up to date.
- The board of directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
- The board of directors shall exercise objective independent judgment on corporate affairs.

- The board of directors shall consider assigning sufficient number of non-executive members of the board of directors capable of exercising independent judgment to tasks where there is a potential for conflict of interest.
- The board of directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognized or exposes the listed entity to excessive risk.
- When committees of the board of directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the board of directors.
- Members of the board of directors shall be able to commit themselves effectively to their responsibilities.
- In order to fulfill their responsibilities, members of the board of directors shall have access to accurate, relevant and timely information.

## **7. Board Committees**

As advised by the Board, during the tenure of office, you may be required to serve on one or more of the Committees of the Board. Upon your appointment to any one or more Committees, you will be provided with the appropriate Committee charter which sets out the functions of that Committee.

Currently, the Board has three committees: Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee.

## **8. Time Commitment**

Considering the nature of the role of a director, it is difficult for the Company to lay down specific parameters on time commitment. You agree to devote such time as is prudent and necessary for the proper performance of your role, duties and responsibilities as an Independent Director.

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

It is accepted and acknowledged that you have business interests other than those of the Company and have declared conflicts, if any that are apparent at present. In the event that you become aware of any potential conflict of interest with your position as Director of the Company, you shall promptly disclose the same to the Chairman and the Company Secretary and provide such other disclosures and information as may be required under the applicable laws. By signing this letter, you hereby confirm that as on date of this letter, you have no such conflict of interests with your existing directorships.

Upon any change in circumstances which may affect your status as an Independent Director, you agree to promptly provide a declaration under Section 149(7) of the Act.

## **11. Memberships of other boards**

It is expected that you will not serve on the boards of competing companies. Apart from the applicable law and good corporate governance practices, there are no other additional limitations.

## **12. Information on meetings**

Dates for Board meetings in the ensuing year are decided in advance. Most Board meetings are held at the Registered Office of the Company at GANDHI NURSING HOME BLDG DR.NALINKANT GANDHI ROAD HIMATNAGAR-383001. The Board meets at least once a quarter to review the quarterly results and other items on the agenda and also on the occasion of the Annual General Meeting of the shareholders. Additional meetings are held, when necessary. Committees of the Board usually meet on the same day before holding the formal Board meeting, or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approval.

## **13. Independent Directors' discussion**

Annually and when required, the Independent Directors meet without the presence of Non-Independent Directors and members of the Management. At this meeting, the Independent Directors *inter alia* evaluate the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluate the performance of the Chairman of the Board and discuss aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

## **14. Changes in personal details**

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

## **15. Extension of Term**

Upon the expiry of your First Term and subject to your eligibility under the relevant provisions of the Act, Rules, Listing Regulations and other applicable laws, as prevailing from time to time and subject to annual performance evaluation and recommendations of the Nomination and Remuneration Committee, the Board may, at its discretion, recommend to the shareholders renewal of your term.

## **16. Miscellaneous**

The terms of appointment contained in this letter along with your detailed profile shall be disclosed on the website of the Company and the relevant stock exchanges.

## 17. Acceptance of Appointment

Please confirm your acceptance of the above terms by signing and returning the enclosed duplicate copy of this letter.

We look forward to your support and commitment towards the Company.

Yours Sincerely,  
Nalin Lease Finance Limited  
Managing Director

Place:

Date:

## 18. Agree and Accept

I have read and understood the terms of my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.

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Name:

Place:

Date:

### *Annexure A*

#### **Code of Conduct for Non-Executive Directors**

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 role therein.

–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.

–Safeguard the confidentiality of all information received by them by virtue of their position.

The Independent Directors shall –

1. Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
2. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
3. participate constructively and actively in the committees of the Board in which they are chairpersons or members;

4. strive to attend the general meetings of the company;
5. where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
6. keep themselves well informed about the company and the external environment in which it operates;
7. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board
8. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
9. ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
10. report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
11. acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
12. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.