

Terms and conditions of appointment of Independent Directors of Haryana Capfin Limited

The main terms and conditions of their appointment are given below:

1. Appointment

- a) Independent Directors are appointed by the Members of the Company, on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, for such a period not exceeding five years as may be considerate by the Board, or till such earlier date to conform with the policy.
- b) They shall serve as Independent Directors of the Company in accordance with the provisions of the Articles of Association of the Company, the Companies Act, 2013, rules framed thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and other applicable laws, rules and regulations.
- c) Independent Directors are not liable to retire by rotation.
- d) Appointment is subject to termination in accordance with the provisions of the Articles of Association of the Company, the Companies Act 2013, the rules thereunder and Code of Conduct of the Company and other applicable laws. Upon termination or resignation for any reason, Independent Director will not be entitled to any damages for loss of office.
- e) The Independent Director's relationship with the Company will be that of an office-holder and it is not a contract of employment with the Company.

2. The Board of Directors may appoint Independent Directors as Member/Chairperson of one or more of its Committees.

3. Time Commitment

Independent Directors shall devote such time as is prudent and necessary for the performance of their role, duties and responsibilities as an Independent Director. Independent Directors shall endeavor to attend all board meetings, meetings of the Committee(s) of the Board of Directors of which they are member or chairperson and Annual General Meeting. Independent Directors are expected to devote appropriate preparation time ahead of each meeting.

4. Role and Responsibilities

- i. Independent Directors shall discharge all functions and duties as prescribed for an Independent Director under the Companies Act, 2013, Rules framed thereunder, Listing Regulations and other laws and regulations and in particular the following:
 - a) Independent Directors shall act in accordance with the Articles of Association of the Company.
 - b) Independent Directors 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 interests of the Company.
 - c) They shall not involve in a situation in which they might have a direct or indirect conflict of interest or which possibly may have conflict with the interest of the Company.
 - d) They shall exercise their duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

- e) An 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.
 - f) The office of Independent Director is not assignable and such assignment shall be void.
 - g) Independent Directors shall abide by the provisions of 'Code for Independent Directors' as outlined in Schedule IV of the Companies Act, 2013
- ii. Independent Directors shall be responsible for providing guidance in the areas of their expertise.
 - iii. The performance of Independent Directors and that of the Board of Directors and its Committees shall be evaluated annually as per the provisions of the Companies Act, 2013, Rules framed thereunder, Listing Regulations and other laws and regulations.

5. Independent Advice

The Independent Directors may seek independent professional advice with the approval of the Chairman of the Board of Directors, at the Company's expense, on any matter connected with the discharge of their responsibilities as Independent Directors.

6. Liabilities

Under the Companies Act, 2013, an independent director shall be held liable, only in respect of such acts of omission or commission by the company which had occurred with his/ her knowledge attributable through Board processes, and with his/ her consent or connivance or where he /she has not acted diligently.

7. Remuneration and Expenses

- a) Independent Directors are paid remuneration by way of sitting fees for attending the meetings of the Board of Directors and its Committees as may be approved by the Board of Directors and/or the members, as the case may be, from time to time.
- b) Further, Independent Directors may also be paid remuneration by way of commission as may be approved by the Board of Directors and members of the Company from time to time.
- c) In addition to the above, the Company shall pay or reimburse such fair and reasonable expenditure, as may be incurred by Independent Directors while performing their role as Independent Director of the Company.

8. Code of Conduct

- a) As Independent Directors they agree to comply with the Company's Code of Conduct, as adopted by the Board. The Independent Directors will also be required to affirm annually, compliance with the Company's Code of Conduct.
- b) The Independent Directors also agree to comply with the 'Code of Conduct to Regulate, Monitor and Report Trading in Securities of the Company'.

9. Training

The Company shall arrange suitable training/ familiarization programmes in order to familiarize the Independent Directors with their role, responsibilities, nature of industries in which the Company operates, business model of the Company, etc.

10. Evaluation

Performance of the Independent Directors as well as the performance of the entire Board and its Committees will be evaluated annually as per the provisions of the Companies Act, 2013, Rules framed thereunder, Listing Regulations and other laws and regulations.

11. Disclosure of Interest

The Independent Directors agree to notify the company promptly about any change in your directorship and provide such disclosures and information as may be required under the applicable laws.

12. Conflict of Interest

- a) It is accepted and acknowledged that the Independent Director may have business interests other than those of the Company. The Independent Directors are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form.
- b) During their term, the Independent Directors agree to promptly provide declaration under Section 149(6) of the Companies Act, 2013, upon any change in the circumstances which might affect their status, individually as Independent Director. Further, they also agree to confirm, individually, compliance with the said criteria of independence every financial year, along with a confirmation that they are not aware of any circumstance or situation that could impair or impact their ability to discharge duties with an objective independent judgement and without any external influence.

13. Confidentiality

Independent Directors may only use the confidential information about the Company in the proper performance of their duties or as required by law. Independent Directors must not use the confidential information about the Company to gain advantage for themselves or others, or to the detriment of the Company. On termination or expiry of their tenure, they shall return on the Company's request, all books, papers, documents and other property of or relating to the business of the Company, which are in their possession or custody. Unless specifically authorized by the Company or required under the law, Independent Directors shall not disclose information about the Company or its business to the public or the Company's stakeholders.

14. Governing Law

The appointment of Independent Directors shall be governed by and construed in accordance with the laws of the Republic of India and shall be subject to the exclusive jurisdiction of the Courts of India.
