# Terms of appointment of Non-Executive Independent Directors of ITL Finlease & Securities Limited

## 1. Appointment

a. The appointment shall be for a term of [5] years effective from the date of appointment subject to the approval of members. This tenure is subjectto meeting the criteria for being an Independent Director at all timesduring the tenure and not being disqualified to be a director under the applicable provisions of the Act.

b. Independent Director will not be liable to retire by rotation.

## 2. Independence

The Board will consider the declaration provided for being qualified as Independent in accordance with the provisions of the Act. Independent Director agrees to continue to be qualified as "independent" during his/her tenure andprovide periodic declaration to the effect as required by the applicable laws. The Independent Director will be identified as such in the annual report and other documents and publications of the Company. Independent Director shall promptly inform the Chairman and the Company Secretary, should he/she cease to be qualified as "independent" during his/her tenure.

## 3. Role on the Company's Board and Board Committees

An independent Director shall abide by all the provisions of any law for the time being in force with respect to the rights, duties, and responsibilities of a Director. Moreover, he/she shall also abide by other provisions of any law for the time being in force, which is specifically applicable to him/her due to being an Independent Director.

The Board constitutes a committee of Directors from time to time and delegates the requisite powers to them. Subject to the applicable laws and as deemed fit by the Board, the Independent Director may be required to serve on one or more committeesof the Board as a member / Chairman. Upon nomination to any one or more committee(s), the Independent Director will be provided with the appropriate committeecharter which would set out its functions.

## 4. Induction/Training

The Company shall conduct suitable training/familiarization sessions, *inter-alia*, to familiarize the Independent Director with the following:

a. Board's roles, rights, and responsibilities.

b. Business model of the Company.

c. Company's vision, strategic direction, core values, ethics, andcorporate governance practices.

## 5. Time Commitment

The Company expects a time commitment involving attendance at all Board and committee meetings (of which the Independent Director is a member), and the general meetings of the members. Usually, the Company has four Board meetings andsome more meetings on a need basis, an Annual General Meeting, and Extra – Ordinary General Meeting(s) of members of the Company as and when required. In addition, principal Board Committees meet four or five times a year and other Committees meet on a needy basis.

In terms of the Act, the Independent Directors are required to hold at least one separate meeting in a financial year, without the attendance of Non - Independent Directors and members of management. The Independent Directors shall strive to be present at such meeting(s).

## 6. Role & Duties of Independent Director

Kind reference is invited to Section 166 of the Act which entails duties of Directors, which are as follows:

a. A director of a company shall act in accordance with the articles of the Company.
b. A director of a company shall act in good faith to promote the objectsof the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the communityand for the protection of the environment.
c. A director of a company shall exercise his duties with due and reasonablecare, skill and diligence and shall exercise independent judgment.

d. a director of a company shall not be involved in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.

e. a director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associatesand if such director is found guilty of making any undue gain, he shall be liable to pay an

amount equal to that gain to the company.

f. a director of a company shall not assign his office and any assignment so made shall be void.

g. As per provisions of the Act, 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 had not acted diligently.

## 7. Professional Conduct

An Independent Director is expected to:

a. uphold ethical standards of integrity and probity.
b. act objectively and constructively while exercising your duties.
c. exercise responsibilities in a *bona fide* manner in the interest of the Company.
d. devote sufficient time and attention to your professional obligations for informed and balanced decision-making.
e. not allow any extraneous considerations that will 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 theBoard in its decision-making.
f. use your position only for the benefit of the Company or its shareholders and notfor the purpose of gaining direct or indirect personal advantage or advantage for any associated person.
g. refrain from any action that would lead to the loss of your independence.
h. If circumstances arise under which you may lose your independence, inform the Board accordingly.
i. assist the Company in implementing the best corporate governance practices.

## 8. Memberships of other boards

It is expected that the Independent Director will not serve on the Board of the competing companies. Apart from the applicable provisions of law on maximum number of directorships and good corporate governance practices, there are no other additional limitations.

## 9. Fees/reimbursement of expenses

9.1 Independent Directors are entitled to a sitting fee for attending Board and committee meetings, as fixed by the Board from time to time.

9.2 The Company shall pay or reimburse on an actual basis, fair and reasonable incidental expenditure, incurred by him/her while performing the role as an Independent Director.

## 10. Evaluation

The performance of Independent Directors shall be evaluated periodically, in terms of the provisions of the Act.

## 11. Compliance with various Codes of the Company

Independent Directors shall adhere to the Code for Independent Directors as provided in Schedule IV to the Act. He/She will follow the Company's policies applicable to Directors including the Code of Conduct and Code for Preventionof Insider Trading.

## 12. Disclosures

During the tenure of the Independent Director, he/she agrees to promptly notify the Company of any change in his/her directorship and provide such other disclosuresas may be required under the applicable laws. Independent Director also agreesthat in case he/she becomes aware of any potential conflict of interest with his/her position as an Independent Director, he/she shall promptly disclose the same to the Chairman and the Company Secretary.

During the tenure as Independent Director, he/she agrees to provide the declaration of fulfillment of meeting the criteria of independence under Section 149(7) of the Act, upon any change in circumstances which may affect his/her status as anIndependent Director.

## 13. Confidentiality

Any information that Independent Director would acquire during his/her association as Independent Director is confidential and should not be released either during his/her tenure or thereafter, to third parties without prior clearance of the Chairman, save and except as may be required by law. On request, the Independent Director shall surrender documents and other material provided to him/her by the Company.

## 14. Termination

Directorship shall terminate or cease in accordance with law.The Independent Director may also resign from his/her position at any time and should he/she wish to do so, is requested to send a written notice to the Board stating the reasons for resignation. The resignation shall take effect from the date on which thenotice is received by the Company or the date, if any, specified by him/her in the notice, whichever is later.

The Appointment is subject to disengagement in accordance with the provisions of the Articles of Association of the Company, the Act and other applicable laws, rules, and regulations.

## 15. Governing Laws

The term of appointment is governed by and shall be construed in accordance withlaws of India.

## 16. Miscellaneous

No waiver or modification of the term of appointment shall be valid unless made in writing and signed by you and the Company.