

DHANVARSHA FINVEST LIMITED

Terms and conditions relating to the appointment of Independent Director

Term of Appointment

The appointment would normally be for a period of 5 years from the date of appointment.

Membership in Board Committees

The Board may, if it deems fit, invite Independent Director for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. The appointment of Independent Director on such Committee(s) will be subject to the applicable regulations.

Time Commitment

Independent Director is expected to bring objectivity and independence of view to the Board's discussions and to help 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.

Independent Director will be expected to attend meetings of the Board and Board Committees to which such Independent Director may be appointed as a member and to devote such time to Independent Director's duties, as appropriate for Independent Director to discharge their duties effectively.

Role and Duties

The role and duties will be those normally required of an independent director under the Companies Act, 2013 and the listing agreement. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

1. Independent Director shall act in accordance with the Company's Articles of Association, Code on Prevention of Insider Trading and Disclosure Policy, Code of Conduct for Board
2. and Senior Management and other policies (as applicable to the Directors) of the Company.
3. 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.
4. Independent Director shall discharge duties with due and reasonable care, skill and diligence.
5. Independent Director shall not involve 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.
6. Independent Director shall not make or attempt to make any undue gain or advantage either to himself or to his relatives, partners or associates.
7. Independent Director shall not assign his office as Director and any assignments so made shall be void.

Sitting Fees / Commission

Independent Director 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, from time to time. Further, Independent Director will also be paid remuneration by way of commission as may be approved by the Board and the Shareholders, from time to time.

Payment of Commission

Subject to the approval of the members of the Company commission may be paid to Independent Directors and Non-executive Directors, collectively up to one percent (1%) of the net profits of the Company calculated in accordance with the provisions of the Companies Act for each financial year, in such a manner as the Board in its absolute discretion may decide from time to time.

As such, the commission shall be paid only in the year(s) when the Company has made profit and the accounts for the said financial year are approved by the Board.

Reimbursement of Expenses

In addition to the remuneration described in paragraph 5, the Company will, for the period of appointment, reimburse for travel, hotel and other incidental expenses incurred by Independent Director in the performance of Independent Director's role and duties.

Conflict of Interest

As a condition to Independent Director's appointment commencing, Independent Director is required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form. It is expected that Independent Director will not associate with any person who is competing with the Company.

In the event that 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 and the Board.

Confidentiality

All confidential information acquired by Independent Director during his/her association with the Company, shall remain property of the Company and he shall be keep it confidential during the term of association as also the following cessation (by whatever means). The said confidential information should not be disclosed to third parties without prior clearance from the Managing Director & CEO or unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, Independent Director shall surrender any documents and other materials made available to Independent Director by the Company.

As per the applicable regulations and the Company's Code on Prevention of Insider Trading & Corporate Disclosure Practices, ID shall seek permission of the Compliance Officer while dealing in securities of the Company.

Induction

Immediately after Independent Director's appointment, Independent Director will be invited to attend an initial induction session and, thereafter, ongoing familiarisation sessions, including briefings from management and site visits.

Evaluation

In compliance with the provisions of the Companies Act, the Company would adopt a policy on Board Evaluation. The policy would provide for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. As per the Policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis.

Insurance

The Company has Directors' and Officers' liability insurance and it is intended that the Company will assume and maintain such cover for the full term of the appointment.

Disclosure of Interest

The Company is required to include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record his interest appropriately and the Company's records are updated. A general notice that ID is interested in any contracts with a particular person, firm or company is acceptable.

Termination

Independent Director may resign from his/her position at any time and should Independent Director wish to do so, Independent Director is requested to serve a reasonable written notice on the Board.

Continuation of Independent Director's appointment is contingent on getting re-elected by the Members in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. Independent Director will not be entitled to compensation, if the Members do not re-elect Independent Director at any time. Appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.