

EDELWEISS FINANCE AND INVESTMENTS
LIMITED

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTOR

1. Appointment

In accordance with the provisions of the Act and other applicable laws, you will serve as an Independent Director of the Board for a term upto 5 years from the date of your appointment. Subject to applicable law, an Independent Director is eligible to serve for a period of two terms of 5 years each.

Your appointment is subject to the maximum permissible Directorships that can be held as per the provisions of the Companies Act, 2013.

Your appointment is subject to the approval of the shareholders of the Company.

You shall not be liable to retire by rotation as per the relevant provisions of the Act and the Listing Agreement.

2. Board and Board Committees

The Board meets atleast four times in a year. The Board currently has three (3) Committees: Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee. The Board Committees are also ordinarily convened as per the requirement under the Act and other applicable laws.

As may be advised by the Board, during the tenure of office, you may be invited to serve on one or more of the Committees of the Board established by the Company. Your appointment on such Committees will be subject to applicable regulations and charter of the respective Committee. 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.

3. Expectations of the Board

a. Time Commitment

You will be expected to attend meetings of the Board, Board Committees to which you may be appointed and Shareholders' meetings and to devote such time to discharge your duties effectively. Ordinarily, all meetings are held in Mumbai.

You are expected to bring objectivity and independence of view to the Board's discussions and help in providing with effective leadership in relation to the Company's strategy, performance of Management, risk management, financial controls, corporate governance and moderating any conflict of interest of the stakeholders.

b. Disclosure of Interest

You should share with the Company required disclosures as prescribed under the statutes. You will be required to furnish us the annual declaration that you meet the criteria of Independence as per Companies Act, and update wherever there is change in circumstances which may affect your status of Independence.

c. Professional Conduct

As an Independent Director, you shall:

- a. uphold ethical standards of integrity and probity;
- b. act objectively and constructively while exercising your duties;
- c. exercise your 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 may vitiate your exercise of objective independent judgement in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgement of the Board in its decision-making;
- f. 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;
- g. refrain from any action that could lead to a loss of your independence;
- h. apply the highest standard of confidentiality and not disclose to any person or Company, whether during the course of your appointment or at any time after termination, any confidential information concerning the Company and any group companies with which you come into contact by virtue of your position;
- i. ensure that if circumstances arise under which you may lose your independence, you will immediately inform the Board accordingly; and
- j. assist the Company in implementing the best corporate governance practices.

4. Functions, Responsibilities and Duties of Independent Director

a. Functions

The Independent Directors shall:

1. 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;
2. bring an objective view in the evaluation of the performance of Board and management;
3. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
5. safeguard the interests of all stakeholders, particularly the minority shareholders;
6. balance the conflicting interest of the stakeholders;

7. determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
8. moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholders' interest.
9. advice and counsel the Management of the Company. Members of the Board have full access to the Management (executive officers) and other employees as well as to the Company's records and documents. The Board may also seek legal or other expert advice from a source independent of the Management.
10. oversee and ensure the integrity of financial information and legal and compliance.

b. Responsibilities

Independent Directors have the same general legal responsibilities to the Company as that of any other director. The Board, as a whole, is collectively responsible for ensuring the success of the Company by directing and supervising the Company's affairs.

c. Duties

As an Independent Director, you shall:

- a. undertake the appropriate induction into the Board and regularly update and refresh your skills, knowledge, and familiarity with the Company;
- b. seek appropriate clarification and, where necessary, seek and follow appropriate professional advice from external experts at the expense of the Company;
- c. strive to attend every meeting of the Board and of the Board Committees of which you are a member;
- d. actively and constructively participate in the Committees of the Board in which you may be a member or the Chairperson.
- e. strive to attend the general meetings of the Company;
- f. ensure that any concerns that you may have about the running of the Company are addressed by the Board and seek inclusion of these concerns in the Board minutes to the extent these concerns are not resolved;
- g. keep yourself well informed about the Company and the external environment in which it operates;
- h. not unfairly obstruct the functioning of an otherwise proper Board or Committee;
- i. ensure that related party transactions are considered carefully before they are approved and are in the interest of the Company;
- j. ensure that the whistleblower function of the Company is functioning adequately;
- k. report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics;
- l. within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees, and
- m. not disclose any confidential information unless such disclosure is expressly approved by the Board or required by law.

5. Conflict of Interest

As per the requirements of the Act, you are required to disclose other directorships, memberships, appointments, and interests to the Board. In the event of a conflict of interest which is likely to change your status as an Independent Director, then the same shall be informed to the Chairman and Company Secretary immediately. It is expected that you will not serve on the boards of competing companies.

6. Codes/Policies

You are requested to comply with the Codes and Policies of the Company as applicable to the Directors.

7. Information on meetings

The dates for the Board and Committee meetings for the ensuing year is intimated in advance and published to the Directors. Generally, the Board meetings are held at the Company's Registered Office at Edelweiss House, Off CST Road, Kalina, Mumbai - 400 098, India.

Normally, the Board meets once a quarter to review the quarterly results and other items on the agenda. Additional meetings are held based on need. The Board, being represented by Non-Executive/Independent Directors from various parts of the globe, it may not be possible for each one of them to be physically present at all the Board meetings. The Company provides video/teleconference facilities to facilitate participation.

Availability of information to the Board: The Board has unfettered access to any information, and to any employee, of the Company. At Board meetings, the Board invites managers of the Company when additional details into the items being discussed are required.

8. Remuneration

The remuneration of the Non-executive and Independent Directors is approved by the Board. You shall be paid remuneration by way of Commission as approved by the Board and Shareholders from time to time. This remuneration will be linked to your presence at the Board and Committee meetings and also on the basis of your position on various Committees of the Board. However, such remuneration by way of Commission shall be within the limits of the Companies Act, 2013.

The total remuneration payable to the entire group of Non-Executive and Independent Directors is limited to a fixed amount per year determined by the Board. This amount shall however not exceed 1% of the net profit of the Company for the year calculated as per the provisions of the Companies Act, 2013 or such amount as may be approved by the Shareholders by way of a special resolution.

9. D & O Insurance

The Company maintains a Directors and Officers liability insurance policy (D & O policy)

for itself and its subsidiaries, to pay for the personal liability of directors and officers for claims made against them while serving on the Board.

10. Resignation

You may resign any time from the position of Independent Director by a written notice. It is desirable that you inform Chairman in advance of your intention to resign or not to seek re-appointment which will help to fill the vacancy.

11. Independent Directors' discussion

The Board's policy is to have regular 'independent directors only' meetings to enable a full and frank discussion on the performance of the Company, risks faced by the Company, and the performance of executive members of the Board including the chairperson.

12. Evaluation of Board members

The chairperson of the Nomination and Remuneration Committee will conduct an annual Board Evaluation to assess the performance of the Board as a whole and that of individual Board members. Performance is assessed based on clearly defined objective criteria. Each Independent Director's appointment or re-appointment is subject to yearly evaluation process adopted by the Board.