

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

[Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement]

The broad terms and conditions of appointment of Independent Directors of M. B. Parikh Finstocks Limited (“the Company”) are reproduced hereunder:

1. APPOINTMENT

The appointment as a Non-Executive Independent Director (“ID”) on the Board of Directors (“the Board”) of the Company will be effective from the date of appointment for a period of five years. The appointment of ID will be subject to the provisions of the Companies Act, 2013 (“the Act”) and Clause 49 of the Listing Agreement as amended from time to time and other applicable provisions.

In compliance with provisions of Section 149(13) of the Companies Act, 2013, directorship of ID is not subject to retirement by rotation.

ID will not be considered to be an employee of the Company and his/her letter of appointment does not constitute a contract of employment with the Company.

2. COMMITTEES

The Board of Directors may, if it deems fit, invite ID for being appointed on one or more Committees of the Board. Appointment of ID on such Committee(s) will be subject to the provisions of the Companies Act, 2013 and the Listing Agreement.

3. TIME COMMITMENT

IDs are expected to bring objectivity and independence of view to the Board’s discussions and to help provide 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.

The Board normally meets 4 (four) times a year with at least one meeting every 120 (one hundred and twenty) days and will otherwise meet on an ad-hoc basis as required. Apart from the Board Meeting there would be meetings of the Committees of the Board of Directors, which IDs may be required to attend, in case they are nominated to such Committees. IDs will be expected to devote such time to their duties, as appropriate for them to discharge their duties effectively.

In addition, all the independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.

By accepting the appointment, ID confirm that he/she is able to allocate sufficient time to meet the expectations from their role to the satisfaction of the Board.

4. EXPECTATIONS, ROLES, FUNCTIONS AND DUTIES

ID is expected to observe and comply with applicable laws, the charter documents of the Company and the rules, regulations and policies of the Company, in relation to his/her directorship and the business of the Company.

The role, functions and duties of ID will be as provided under the applicable law, including the Act and in conformity with Section 149(8) read with Schedule IV of the Act and Clause 49 of the Listing Agreement, including in relation to attendance of meetings, maintenance of confidentiality, safeguarding the interests of the stakeholders, bringing objective judgments, asking clarifications, etc.

In addition, the conduct of ID will be governed by applicable law, including the guidelines for professional conduct set out under the Code of Independent Directors, as provided in Section 149(8) read with Schedule IV of the Act, the duties of directors as set out under Section 166 of the Act and the duties and responsibilities as set out under Clause 49 of the Listing Agreement.

Further, attention is drawn to the requirements under both law and regulation regarding the disclosure of price sensitive information, and in particular to the Rules, Regulations and Guidelines issued by the Securities & Exchange Board of India, the Stock Exchanges and the Code of Conduct for Prohibition of Insider Trading. ID should avoid making any statements that might risk a breach of these requirements. If in doubt, they may please contact the Company Secretary for any guidance in this behalf.

5. REMUNERATION

ID will be paid such remuneration by way of sitting fees for attending meetings of the Board and its Committees as may be decided by the Board from time to time in compliance with applicable law. The remuneration shall be subject to applicable taxes and the Company may withhold there from any amounts as are required to be withheld pursuant to applicable law. Any tax liability arising in respect of payments made pursuant to remuneration to ID shall be borne solely by him/her.

In addition to the sitting fees described above, the Company will during the term of appointment of ID, reimburse for travel, hotel and other incidental expenses incurred by him/her in the performance of his/her role and duties.

6. DISCLOSURE OF INTEREST

During the term of appointment, he/she shall agree to promptly notify the Company of any change in his/her directorships, and provide such other disclosures and other information as may be prescribed under the Companies Act, 2013 and the rules made thereunder and as required under the Listing Agreement with the Stock Exchanges.

Further, any material interest that he/she may have in any transaction or arrangement that the Company has entered into should be disclosed not later than, when the transaction or arrangement comes up at the Board meeting, so that the Company may record their interest appropriately. Further, they are required to give a general notice of Interests as per the format prescribed under the Companies Act, 2013 and the rules made thereunder in the first Board Meeting of each Financial Year.

During their term as an ID they are required to give a declaration that they meet the criteria of independence prescribed under Section 149(6) of the Act, every financial year as provided under section 149(7) of the Act.

7. CONFLICT OF INTEREST

It is accepted and acknowledged that ID may have business interests other than those of the Company. As a condition precedent to commencement of the appointment, ID is required to disclose to the Company any such directorships, appointments and interests to the Board. Thereafter, ID is required to disclose to the Company whenever there is any change in the circumstances which may affect their status as an ID.

8. CODE OF CONDUCT

During the tenure of ID, he/she shall be required to comply with the provisions as contained in Schedule IV under the Act and also with the Code of Conduct for the Members of the Board of Directors and Senior Management and Code of Conduct for Securities and Exchange of India (Prohibition of Insider Trading) Regulations, 1992 (as amended or replaced from time to time).

9. EVALUATION

The performance of ID will be evaluated as per the requirements of the Act and the Listing Agreement.

10. CONFIDENTIALITY

All information acquired by ID during his/her tenure as Director of the Company is to be treated as confidential and should not be released, either during his/her tenure or following termination (by whatever means), to third parties without prior clearance from the Managing Director of the Company, unless such disclosure be required by any governmental, statutory and regulatory authority established under the laws for the time being in force.

11. OTHER TERMS AND CONDITIONS

TERMINATION

ID may resign from his position at any time by serving a reasonable written notice on the Board stating out the reason for resignation. Further, appointment of ID may be terminated in accordance with applicable law. Continuation of appointment of ID is contingent on his/her willingness to continue as an ID, and getting re-appointed by the shareholders in accordance with applicable law. ID will not be entitled to compensation in case the shareholders of the Company do not re-appoint him/her at any time.

The appointment of ID is also subject to the maximum permissible directorships that one can hold under applicable law, including as per the provisions of the Act and the Listing Agreement.

ID will be invited to attend ongoing training and familiarization sessions, including briefings from management and site visits.