

M/s. SRESTHA FINVEST LIMITED

TERMS & CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

The terms and Conditions of the appointment, which shall, in any event be subject to the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), are set out below.

The broad terms and conditions of their appointment as Independent Directors are reproduced hereunder:

Terms of Appointment

- The appointment will be for the period mentioned against their respective names ("Term"). The Company may remove Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the Companies Act 2013 and Articles of Association of the Company.
- In compliance with provision Section 149(13) of the Companies Act, 2013, Independent Directors are not liable to retire by rotation.
- Re-appointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders if applicable. The re-appointment would be considered by the Board based on the outcome of the performance evaluation process and the directors continuing to meet the independence criteria.
- The directors may be requested to be a member / Chairman of any one or more Committees of the Board which may be constituted from time to time.

Role, duties and responsibilities

As members of the Board, they along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the Companies Act, 2013 including but not limited to a copy of Code for Independent Directors issued under Section 149(8) read with Schedule IV to the Companies Act, 2013,
- "Responsibilities of the Board" as outlined in the Corporate Governance requirements as prescribed by the Stock Exchanges under Regulation 4(2)(f) of Listing Regulations.
- Accountability under the Director's Responsibility Statement.
- The role and duties of Independent Directors will be those normally required of a Non Executive Independent Director under the Companies Act, 2013 and Listing Regulations. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:
 - i. They shall act in accordance with the Company's Articles of Association.
 - ii. They 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.
 - iii. They shall discharge their duties with due and reasonable care, skill and diligence.
 - iv. They shall not involve themselves in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
 - v. They shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.
 - vi. They shall not assign their office as Director and any assignments so made shall be void.

In addition to the above requirements, the Board of Directors also expect Independent Directors to perform the following functions:

- i. Constructively challenge and help develop proposals on strategy for growth of the Company.
- ii. Evaluate the performance of management in meeting agreed goals and objectives.
- iii. 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.
- iv. Satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are effective and defensible.
- v. Determine appropriate levels of remuneration of Executive Directors and play a prime role in appointing, and where necessary, removing Executive Directors and in succession planning.
- vi. Take responsibility for the processes for accurately reporting on performance and the financial position of the Company
- vii. Keep Governance and Compliance with the applicable legislation and regulations under review and the conformity of Company's practices to accepted norms.

Time commitment

Independent Directors agree to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as Independent Director.

Code of Conduct

During the appointment, Independent Directors are required to comply with relevant regulations as contained in Schedule IV under Companies Act, 2013, including the various codes of conduct of the Company.

Remuneration

Independent Directors will not be employees of the Company and their appointment letter shall not constitute a contract of employment. They may be paid sitting fees, if any, for meetings of the Board as may be decided by the Board. In determining the amount of this commission (if any), the Board, supported by the Nomination and Remuneration Committee, may consider performance of the Company and their performance as evaluated by the Board.

Independent Directors have no entitlement to any bonus during the appointment and no entitlement to participate in any employee stock option scheme, if any, operated by the Company.

Conflict of Interest:

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

At the first meeting of the Board in which they participate as an independent director and thereafter, at the first meeting of the Board in every financial year or whenever there is any change in the circumstances, which may affect his/her status as an independent director, they are required to give a declaration that they meet the criteria of independence.

