



SMART FINSEC LIMITED

Terms and Conditions of Appointment of Independent Director

1. Appointment

In accordance with the provisions of the Companies Act, 2013 and rules made thereunder ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("Listing Regulations") and other applicable statutes, if any, the appointment of an Independent Director of the Company ("ID") is for a period of five (5) years, subject to the members' approval.

An ID, shall not liable to retire by rotation. Independent Directors will be eligible for re-appointment for another term of 5 consecutive years, after the completion of their tenure of first 5 years, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the shareholders by way of special resolution.

The Independent Director will serve for not more than two terms up to 5 years each on the Board of the Company. The Company is at liberty to disengage ID subject to the compliance of relevant provisions of the Companies Act, 2013.

2. Appointment to Committees

The Board has constituted Committees of Directors, with adequate delegation of powers. Subject to nomination by the Board of Directors of the Company from time to time and applicable regulations, you may be required to serve on one or more Committees of the Board constituted by the Company or any such Committee that may be constituted in future.

3. Roles, duties and responsibilities

As a member of the Board, Independent Director along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the Companies Act, 2013,
- Responsibilities of the Board as outlined in the Listing Regulations,
- Accountability under the Directors' Responsibility Statement.

Independent Director shall abide by the 'Code For Independent Directors' as outlined in Schedule IV of the Companies Act, 2013 and duties of directors as provided in the Companies Act, 2013 and Listing Regulations.

The Independent Director shall uphold ethical standards of integrity and probity and their role, duties and responsibilities will be as set out under the Act and the Listing Regulations including but not limited to the fiduciary duties associated with the office of an independent director.

4. Meetings

The Board shall have meetings at least four times in a year and meetings of the Committees of the Board shall also be held in accordance with applicable laws. The

Independent Director shall strive to attend meetings of the Board, its Committees of which they may be member and Shareholders meeting and to devote and allocate sufficient time, as is prudent and necessary for the proper performance of their role, duties and responsibilities as an Independent Director.

Further, the independent directors of the company shall hold at least one meeting (in a Calendar year), without the attendance of non-independent directors and members of management. All the independent directors shall strive to be present at such meeting.

5. Remuneration

Independent Director shall be entitled to sitting fees for attending the meetings of the Board and the Committees to which they are / will be a member, as may be decided by the Board from time to time.

The Company may at its discretion pay or reimburse, such fair and reasonable expenditure, as may have been incurred by them while performing their role, duties and functions as an Independent Director of the Company.

6. Disclosures, other directorships and business interests

During the term, Independent Directors shall make all statutory disclosures/confirmations required to be made under applicable laws. ID shall promptly notify the Company of any change in their directorships, memberships and provide such other disclosures and information as may be required under the applicable laws.

During their Term, ID shall promptly provide a declaration under Section 149(7) of the 2013 Act, annually or upon any change in circumstances which may affect their status as an Independent Director.

Independent Director shall intimate the Company in the prescribed manner of any change in address or other contact and personal details provided to the Company.

7. Conflict of Interest

Independent Director, shall not engage in any business relationship or activity which might conflict with the interest of the Company. In case of any potential conflict of Interest, ID must at the earliest opportunity make full disclosure of all acts and circumstances and shall ensure that Company's interests are protected.

8. Evaluation

The performance of ID will be evaluated as per the requirements of the Companies Act. Independent Director's performance shall be evaluated annually by the entire Board (excluding the Director themselves). On the basis of evaluation, it shall be determined whether to extend or continue the term of appointment.

9. Confidentiality

Independent Director, must apply the highest standard of confidentiality and not disclose to any person or Company (whether during the course of appointment or following cessation) any confidential information concerning the Company, which may be acquired in the course of your role as an Independent Director. ID shall not disclose or release any

confidential information, which you may acquire or come across during your appointment to any third parties, either during the appointment or following cessation (by whatever means) without prior clearance from the Company unless the same is required by the law or by rules of any stock exchange or regulatory authorities.

10. Dealing in shares

Independent Director shall abide by the 'Code of Conduct to Regulate, Monitor and Reporting of Trading in respect of Securities of the Company (Insider Trading Code) prohibiting disclosure or use of unpublished price sensitive information. Consequently, ID should avoid making statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Company.

11. Termination

The appointment of the Independent Director may be terminated with or without cause at any time by the Company with immediate effect, in accordance with the Companies Act, 2013, if the Board of Directors (excluding the concerned Independent Director) is of opinion that the continued appointment is not in the interest of the Company.

The Independent Director may resign from the directorship of the Company at any time by giving a reasonable notice in writing to the Company stating the reasons for resignation

12. General

The appointment of Independent Directors and any non-contractual obligations arising out thereof shall be governed by and be construed in accordance with, the laws of India and the parties agree to submit to the exclusive jurisdiction of the courts in Delhi.

Note: These are the general terms and conditions of appointment of Independent Directors which are subject to modification/ amendment.