

Alpha Alternatives Financial Services Private Limited
(Formerly Known as Provincial Finance and Leasing Co Private Limited)

Terms and Conditions of Appointment of Independent Directors

Version 2.0

Date: 15th May, 2023

Last Reviewed Date: 30th May, 2024

Terms and Conditions of Appointment of Independent Directors

Applicable to: Alpha Alternatives Financial Services Private Limited (“AAF SPL”) (Formerly Known as Provincial Finance and Leasing Co Private Limited (“PFLCPL”)

APPOINTMENT:

Appointment is subject to section 149(6) & (7), 152, 160 of the companies Act, 2013 read with schedule IV of the Act and as per the LODR Regulations (as amended from time to time).

The appointment on the Board as Independent Director is for a period of five consecutive years, subject to approval of shareholders.

Independent Directors will not be liable to retire by rotation.

Appointment is subject to the Articles of Association and regulatory provisions of the law in force.

Reappointment 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. The reappointment would be considered by the Board based on the outcome of the performance evaluation process and such Director(s) 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:

The duties and liabilities that come with the appointment as Independent Director would be as per the applicable laws, the Articles of Association of the Company and the Code of Conduct.

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

Requirements under the Companies Act, 2013

- “Responsibilities of the Board” as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges under concern provisions.
- Accountability under the Director’s Responsibility Statement.
- They shall abide by the ‘Code For Independent Directors’ as outlined in Schedule IV to section 149(8) of the Companies Act, and duties of Directors as provided in the Act (including Section 166) and in LODR Regulations.

TIME COMMITMENT:

The 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 and to assure the Company that they will be accessible whenever needed by the Company.

TRAINING AND DEVELOPMENT:

The Company may, if required, conduct or arrange for formal training program for its Independent Directors.

The Company shall support Directors to continually update their skills and knowledge and improve their familiarity with the company and its business. The Company will arrange for training on all matters which are common to the whole Board.

Terms and Conditions of Appointment of Independent Directors

REMUNERATION AND REIMBURSEMENT OF EXPENSES:

- The Independent Directors would receive a fee ('Sitting Fee') for attending meetings of the Board or Committees thereof. The quantum of Sitting Fee shall be such as is determined by the Board from time to time as per the recommendation of the Nomination and Remuneration Committee.
- In addition to Sitting Fee, the Board may also approve payment of performance related commission, which would be within such limit as may be permissible under the Act and as maybe approved by the members of the Company. They will be entitled to reimbursement of all expenses properly incurred for participating in the meetings of the Board, its Committees and other meetings.
- The Independent Director shall not be entitled to any stock option and may receive remuneration only by way of fees and reimbursement of expenses for participation in meetings of the Board or committee thereof.

DISCLOSURE OF INTEREST:

- At the first meeting of the Board in which he participate as a 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 status as a Independent Director, give declaration that he meets the criteria as provided in Section 149(6) of the Act.
- To give the disclosure of interest under section 184(1) of the Act, as for avoiding the aforesaid events of disqualification.
- Every Independent Director shall also notify his appointment or relinquishment of office as a director in other companies within a period of 30 days of such event taking place.
- During the Term, they agree to promptly notify the Company of any change in their Directorships, and provide such other disclosures and information as may be required under the applicable laws. They also agree that upon becoming aware of any potential conflict of interest with their position as Independent directors of the Company, they shall promptly disclose the same to the Chairman and the Company Secretary.
- During their Term, they agree to promptly provide a declaration under Section 149(7) of the Companies Act, upon any change in circumstances which may affect their status as an Independent Director.

COMPANY'S CODE OF CONDUCT:

- As Independent Directors of the Company, they agree to comply with the Company's Code of Conduct for Board of Directors and Senior Management.
- Unless specifically authorized by the Company, they shall not disclose company and business information to outsiders such as the media, the financial community, employees, shareholders, agents, customers and suppliers, etc. Their obligation of confidentiality shall survive cessation of their respective Directorships with the Company.

Terms and Conditions of Appointment of Independent Directors

- The provisions of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Company's Code of Conduct for Board of Directors and Senior Management, prohibiting disclosure or use of unpublished price sensitive information, would be applicable to the Independent Directors.
- Additionally, they shall not participate in any business activity which might impede the application of their independent judgment in the best interest of the Company. All Directors are required to sign a confirmation of acceptance of the Company's Code of Conduct for Board of Directors and Senior Management as adopted by the Board on annual basis.

PERFORMANCE EVALUATION PROCESS:

Performance of the Independent Directors on the Board of the Company and at Committee will be evaluated annually as prescribed under Companies Act, 2013. On the basis of such evaluation results extension of term of the Independent Directors will be decided accordingly. The criteria for evaluation will be determined by the Nomination and Remuneration Committee of the Board. The criteria and manner of evaluation will be disclosed in the Company's Board/Annual Report as required under Companies Act, 2013.

CONFIDENTIALITY:

All information acquired by the Independent Directors during their term(s) of serving as a Independent Director, which is confidential about the Company they should not communicate, release, or disclose either during the appointment or thereafter, to third parties without the prior clearance of the Board of the Company.

The Independent Directors shall receive, hold and retain Company's information under secured conditions and to take appropriate steps to maintain strict confidentiality thereof.

This restriction shall cease to apply to any confidential information which may become available to the public generally.

PRICE SENSITIVE INFORMATION AND DEALING IN THE COMPANY'S SECURITIES:

- During the period of appointment, the Independent Directors is required to comply with obligations under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and the 'Code for Prevention of Insider
- Trading in the Securities' as amended from time to time.

PREMATURE CONCLUSION OF TERM OF APPOINTMENT:

- Independent Director may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation and the notice shall take effect from the date on which the notice is received by the Company or the date, if any specified by him in the notice whichever is later, his directorship on the Board of the Company shall cease in accordance with law.

The Company may disengage Independent Directors prior to completion of Term (subject to compliance of relevant provisions of the 2013 Act) upon:

- Violation of any provision of Independent Directors code of conduct as per Schedule IV of Companies Act, 2013; and On the event of director failing to meet the criteria for independence as envisaged in

Terms and Conditions of Appointment of Independent Directors

Section 149(6) of the 2013 Act. he have vacated the office on the grounds as specified under section 167 of the Act.

- In addition to what is stated above, continuation of the contract of appointment of an Independent Director is also contingent on the satisfactory performance as Independent Director and is subject to applicable law.

EXTENSION OF EXISTING TERM:

Upon the expiry of the present term, and subject to the Independent Director's eligibility under the relevant provisions of the Act, Rules, SEBI(LODR), 2015 and other applicable law(s), as prevailing from time to time, the Board may, at its discretion and subject to the outcome of performance evaluation carried out by Nomination and Remuneration Committee, recommend to the shareholders for extension or renewal of the Independent Director's existing term for a further term up to five years.
