

Terms and Conditions of Appointment of Independent Directors  
Version 1.0

*“The terms and conditions for appointment of Independent directors to be guided by these principals.”*

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## **TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS**

### **1. Appointment**

Appointment will be for a term as may be approved by the Board from the date of appointment unless terminated earlier or extended, as per the provisions of this letter or applicable laws ('Term'). As an Independent Director you will not be liable to retire by rotation.

Re-appointment for another term of a maximum period of five years at the end of the current term shall be subject to the approval of the Board and the shareholders. Your re-appointment would be considered by the Board based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.

### **2. Roles, Duties and Responsibilities**

I. As member of the Board you along with the other directors will be collectively responsible for ensuring the objectives of the Board which include:

- a. The company ensuring the requirements under the Companies Act, 2013 ('Act'),
- b. Accountability under the Directors' Responsibility Statement,
- c. Overseeing the maintenance of high standards of company's values and ethical conduct of business,
- d. Reviewing the business plan, model and monitoring the action plan,
- e. Overseeing the company's contribution to enhancing the Corporate Social Responsibility,
- f. Act not in a manner that unfairly obstructs the functioning of the Board and its committees,
- g. Strive to attend all meetings of the Board and its committees

II. You shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to Section 149(8) of the 2013 Act and Duties of Directors as provided in the 2013 Act (including Section 166) and in other applicable laws as may be applicable from time to time. As an Independent Director and Non-Executive Director of the company, you agree to adhere to the following:

- a. You will always act in the interest of the company and ensure that any other business or personal association which they may have does not involve any conflict of interest with the operations of the company and your role therein.
- b. You will comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to you in your individual capacities.
- c. You will strictly safeguard the confidentiality of all information received by you by virtue of your position.

- d. Unless specifically authorised by the company, you shall not disclose company and business information to public constituencies such as the media, the financial community, employees, shareholders, agents, franchisees, dealers, distributors, and importers.
- e. Your obligation of confidentiality shall survive termination or cessation of your directorship with the company.

Additionally, you shall not participate in any business activity which might impede the application of your independent judgement in the best interest of the company.

### **3. Term**

Subject to the provisions of Section 152, an independent director shall hold office for a term of up to five consecutive years on the Board of a company but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.

Notwithstanding anything contained in Sub-Section (10), no independent director shall hold office for more than two consecutive terms; but such an independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director:

Provided that, an independent director shall not, during the said period of three years be appointed in or be associated with the company in any other capacity, either directly or indirectly. Explanation—For the purposes of sub-sections (10) and (11), any tenure of an independent director on the date of commencement of this Act shall not be counted as a term under those sub-sections.]

### **4. Time Commitment**

You shall devote such time as is prudent and necessary for the proper performance of your role, duties, and responsibilities as an independent director.

### **5. Remuneration**

- a. As an independent director you shall be paid sitting fees for attending the meetings of the Board and the committees of which you are a member as fixed by the Board from time to time.
- b. In addition to the sitting fees, you may be eligible for commission as may be decided by the Board subject to the necessary approval of the shareholders of the company.  
Further, the company may pay or reimburse to you such reasonable travel, hotel, or other related expenditure, as may have been incurred by you while performing your role as an independent director of the company. This could include reimbursement of expenditure incurred by you for attending Board/committee meetings, Annual General Meetings, Extra-Ordinary General Meetings, Court-convened meetings, meetings with shareholders/creditors/management, induction, and training (organized by the company for directors) and in obtaining, subject to prior consultation with the Board, professional advice from independent advisors in the furtherance of your duties as an independent director.

### **6. Insurance**

The company has obtained a directors' and officers' liability insurance policy and you will be covered under it.

## **7. Familiarization Program**

The company shall, if required, conduct a formal familiarization program for its independent directors.

## **8. Performance Appraisal / Evaluation Process**

As a member of the Board, your performance as well as the performance of the entire Board and its committees shall be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be determined and disclosed as per applicable laws. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board/committee.

## **9. Disclosures, Other Directorships and Business Interests**

During the term, you agree to promptly notify the company of any change in your directorships and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest in your position as an independent director of the company, you shall promptly disclose the matter to the Chairman and the Company Secretary. Please confirm that as on date of this letter, you have no such conflict-of-interest issues with your existing directorships. Further, you are required to obtain prior consent of the company in case you intend to join the Board of any company engaged in the same sphere of activities as that of Accretive Cleantech Finance Private Limited (Ecofy).

During your term, you agree to promptly provide a declaration under Section 149(7) of the 2013 Act, every year and upon any change in circumstances which may affect your status as an independent director.

## **10. Changes of Personal Details**

During the term, you shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner of any change in address or other contact and personal details provided to the company.

## **11. Termination**

Your directorship on the Board of the company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Companies Act, 2013, your directorship may be terminated in case of violation of any provision of the Code of Conduct.

You may resign from the directorship of the company by giving a notice in writing to the company stating the reasons for resignation and also to the Registrar of Companies (ROC). The resignation shall take effect from the date on which the notice is received by the company, or the date (if any) specified by you in the notice, whichever is later.

If at any stage during the term, there is a change that may affect your status as an independent director as envisaged in Section 149(6) of the 2013 Act or, if applicable, you fail to meet the criteria of "independence" under the applicable laws, you agree to promptly submit your resignation to the company with effect from the date of such change.

## **12. Cooperation**

In the event of any claim or litigation against the company, based upon any alleged conduct, act or omission on your part during your term, you agree to render all reasonable assistance and cooperation to the company and provide such information and documents as are necessary and reasonably requested by the company or its counsel.

## **13. Miscellaneous**

This letter represents the entire understanding, and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between yourself and the company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied through law or by custom.

No waiver or modification of this letter shall be valid unless made in writing and signed by you and the company.

As per the provisions of the Companies Act, 2013, the terms of this letter along with your detailed profile shall be disclosed on the website of the company.