

BHANIX FINANCE AND INVESTMENT LIMITED

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

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1. APPOINTMENT

The document outlines the process and criteria for the appointment of Independent Directors. It covers the identification, due diligence, approval, and disclosure requirements to ensure that the appointed individuals meet the regulatory standards and contribute effectively to the governance of the Company. The appointment of an Independent Director ("ID") shall be approved by the Board of Directors and shareholders in accordance with Sections 149, 150 and 152 of the Companies Act, 2013.

The appointment of an Independent Director ("ID") will be for a term and effective from a date, as may be approved by the Board of Directors ("Board") of the Company unless terminated earlier or extended, as per the provisions of this document or applicable laws ('Term'). An ID shall not be liable to retire by rotation. The Independent Director shall submit the necessary forms, declarations and disclosures at the time of appointment and annually thereafter as per the provisions of the Companies Act, 2013 ("Act"), Reserve Bank of India and other applicable laws.

The Independent Director shall be registered with the Independent Directors Databank maintained by the Indian Institute of Corporate Affairs (IICA) and comply with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, including the online proficiency self-assessment test, if applicable.

Re-appointment of an ID shall be for another term of a maximum period of five (05) years based on the recommendation of the Nomination and Remuneration Committee ("NRC"), which shall assess the independence criteria and performance, and subject to the approval of the Board and the Shareholders of the Company.

2. ROLES, DUTIES AND RESPONSIBILITIES

- As member of the Board, an ID along with the other directors will be collectively responsible for ensuring the objectives of the Board which include:
 - The company ensuring the requirements under the Act,
 - Accountability under the Directors' Responsibility Statement,
 - Overseeing the maintenance of high standards of company's values and ethical conduct of business.
 - Reviewing the business plan, model and monitoring the action plan.
 - Overseeing the company's contribution to enhancing the Corporate Social Responsibility.
 - Act in a manner that promotes good governance and seek to protect and uphold interest of various stakeholders.
 - Strive to attend all meetings of the Board and its committees.
 - Ensure compliance with the "Fit and Proper" criteria as prescribed by the Reserve Bank of India, including annual affirmation and disclosure of any changes affecting eligibility.
 - Actively participate in the review and oversight of the Company's risk management framework, internal controls, and compliance systems.

- Monitor and ensure the effectiveness of the Company's whistleblower mechanism and report any concerns to the Board.
- Participate in annual training and familiarization programs as and when organized by the Company, covering regulatory updates, governance practices, and risk oversight responsibilities.
- Ensure compliance with RBI Fit and Proper criteria and applicable governance directions.
- An ID 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 under the Companies 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, an ID shall adhere to the following:
 - He/ She shall always act in the interest of the company and ensure that any other business or personal association which he/ she may have does not involve any conflict of interest with the operations of the company and her / his role therein.
 - He/ She will comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to her/him in her/him individual capacities.
 - He/ She will strictly safeguard the confidentiality of all information received by her/him by virtue of her / his position.
 - Unless specifically authorised by the company, he/ she 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.
 - His / her obligation of confidentiality shall survive termination or cessation of your directorship with the company.

Additionally, he/ she 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 149, 152 of the Act and rules framed thereunder read with applicable regulations issued the Reserve Bank of India, 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.

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. ID attaining the age of seventy-five (75) years shall not be appointed/reappointed.

4. TIME COMMITMENT

An ID shall devote sufficient time as is prudent and necessary for the proper discharge of performance of his / her role, duties, and responsibilities as an independent director.

5. REMUNERATION

- An independent director may receive sitting fees for attending the meetings of the Board and the committees of which they are a member as fixed by the Board from time to time.
- In addition to the sitting fees, an ID 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 an ID such reasonable travel, hotel, or other related expenditure, as may have been incurred by an ID while performing their role as an independent director of the company. This could include reimbursement of expenditure incurred by an ID 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 his / her duties as an ID.

6. INSURANCE

The Independent Director shall be covered under a Directors' and Officers' (D&O) liability insurance policy arranged to provide protection against certain liabilities incurred while acting in their official capacity.

7. FAMILIARIZATION PROGRAM

The company shall, if required, conduct a formal familiarization program for its Independent Directors on a periodic basis. This program shall include updates on regulatory changes, governance practices, risk management, and the Company's business model and operations.

8. PERFORMANCE APPRAISAL/ EVALUATION PROGRAM

As a member of the Board, the performance of an ID as well as the performance of the entire Board and its committees shall be evaluated annually, if required under applicable law. The Evaluation of ID shall be done in a manner prevalent in the industry and permissible under applicable law. The NRC shall oversee the evaluation process and recommend continuation or cessation of directorship based on performance. The performance of Independent Directors shall be evaluated annually by the NRC/Board, excluding the director being evaluated, in accordance with Schedule IV of the Companies Act, 2013.

9. DISCLOSURE, OTHER DIRECTORSHIP AND BUSINESS INTEREST

During the term, an ID shall promptly notify the company of any change in his / her directorships and provide such other disclosures and information as may be required under the applicable laws. An ID, upon becoming aware of any potential conflict of interest in his / her position as an independent director of the Company, he/ she shall promptly disclose the matter to the Chairman and the Company Secretary. Besides, an ID shall also confirm, in such manner

as may be required that his directorship in the Company has no such conflict-of-interest issues with his / her existing directorships in other companies. Further, an ID is required to obtain prior consent of the Company in case he/ she intends to join the Board of any other company engaged in the same sphere of activities as that of Bhanix Finance and Investment Limited.

During your term, an ID is required to provide a declaration under Section 149(7) of the 2013 Act, every year and upon any change in circumstances which may affect his / her status as an independent director.

An ID shall not serve as a director in more than 3 NBFCs which are classified under the Middle Layer (ML) or Upper Layer (UL) category as per the RBI's scale-based regulation framework and other applicable laws.

10. CHANGES OF PERSONAL DATA

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

11. TERMINATION

The directorship of an ID on the Board of the Company shall terminate or cease in accordance with the provisions of the Companies Act, 2013 and applicable laws. Apart from the grounds of termination as specified in the Companies Act, 2013, the directorship may be terminated in case of violation of any provision of the Code of Conduct.

An ID 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 the ID in the notice, whichever is later.

If at any stage during the term, there is a change that may affect the status as an independent director as envisaged in Section 149(6) of the 2013 Act or, if applicable, the concerned director fails to meet the criteria of "independence" under the applicable laws, he/ she agrees to promptly submit his / her 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 the part of an ID during his / her term, the said ID shall 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 which are in the possession or custody of the concerned director.

13. SEPARATE MEETING OF INDEPENDENT DIRECTORS

Independent Directors shall hold at least one separate meeting in a financial year without the attendance of non-independent directors and members of management to review Board performance, Chairperson performance and quality of information flow.

14. MISCELLANEOUS

This document represents the entire understanding, and constitutes the whole agreement, in relation to the appointment and supersedes any previous agreement or understanding which may have between the ID 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 document shall be valid unless made in writing and signed by the ID and the Company.

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

15. DIGITAL GOVERNANCE AND CONFIDENTIALITY IN VIRTUAL SETTINGS

In view of evolving governance practices and digital participation, the ID shall:

- Attend Board and Committee meetings through virtual platforms when required, ensuring active engagement and confidentiality.
- Adhere to the Company's digital security protocols while accessing confidential documents and participating in virtual meetings.
- Ensure that no unauthorized recording, sharing, or dissemination of Company information occurs during or after virtual meetings.

Version Control

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