

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

The terms of appointment of Independent Directors are subject to i) the extant provisions of the applicable laws, including the Companies Act, 2013 (the "Act"), the rules made thereunder, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations") (as amended from time to time) and (ii) Articles of Association of the Company ("AOA").

The broad terms and conditions of appointment of Independent Directors of the Company are reproduced hereunder:

1. Appointment

The appointment will be for the period mentioned against their respective names ('Term'). The Company may disengage Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the 2013 Act.

As Independent Directors, they will not be liable to retire by rotation. Reappointment at the end of each Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the members of the company. Their reappointment would be considered based on the outcome of the performance evaluation process and the directors continuing to meet the independence criteria stipulated in the Act, the rules made thereunder and the SEBI Listing Regulations.

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.

2. Role, duties and responsibility

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

- Act in accordance with the Articles of Association of the Company and while discharging their duties, comply with the requirements of Section 166 and Schedule IV to the Companies Act, 2013;
- "Responsibilities of the Board" as outlined in the Corporate Governance requirements as prescribed by Stock Exchanges, in accordance with Chapter II of the SEBI Listing Regulations;
- Accountability under the Director's Responsibility Statement;
- Overseeing the maintenance of Corporate Governance standards of the Company and ethical conduct of business; and
- Not involve themselves in a situation which may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
- Not achieve or attempt to achieve any undue gain or advantage either to Independent Directors or to Independent Director's relatives, partners or associates;
- Not assign their office as Director and any assignments so made shall be void;
- [To be held liable in respect of such acts of omission or commission by the Company which have occurred with their knowledge, attributable through Board processes, and with their consent or where Independent Director has not acted diligently;
- They will perform their fiduciary duties in a responsible manner and their general legal responsibilities to the Company will be at par with a non-executive director.

3. Remuneration, etc

Fees/Commission

Independent Directors will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and/or approved by the Shareholders from time to time. The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company, in accordance with the provisions of Companies Act, 2013 along with the rules made there under and as determined by the Board of Directors from time to time based on the recommendations of the Nomination and Remuneration Committee.

Independent Directors shall not be entitled to any stock options.

4. Reimbursement of Expenses

In addition to the remuneration described, hereinabove, the Company will, for the period of appointment of independent directors, reimburse to them for travel, hotel and other incidental expenses incurred by them for the performance of their roles and duties.

5. Insurance

The Company shall in the normal course take an appropriate Directors' and Officers' Liability Insurance policy and pay the premiums for the same. It is intended to maintain such insurance cover for the term of appointment of Independent Directors, subject to the terms of such policy in force from time to time. A copy of the policy document will be supplied to Independent Directors on their request any time.

Indemnity

The directors are granted an indemnity from the Company in respect of liabilities incurred as a result of their office, to the extent permitted by law.

Retirement Age:

Retirement would be governed by the provisions of Companies Act, 2013 and the rules made there under, Listing Agreement and other statutory provisions from time to time.

6. Code of Conduct

- a. The Independent Director will be required to comply with applicable provisions of any code of conduct framed by the Board for all Board members and Senior Management of the Company under the Listing Regulations.
- b. The Company has relied on the declaration of the Independent Directors that they meet the criteria of independence as provided in Section 149(6) of the 2013 Act as also in the Listing Agreement.
- c. Their obligation of confidentiality shall survive cessation of their respective directorships with the Company. The provisions of both, Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Company's Code of Conduct on Prevention of Insider Trading, prohibiting disclosure or use of unpublished price sensitive information, would be applicable to the Independent Directors.
- d. 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.

- e. The Independent Director will be required to abide by the guidelines as to professional conduct for independent directors as set out in Section 149 read with Schedule IV to the Act.
- f. All Directors are required to sign a confirmation of acceptance of the Company's Code of Conduct for Director's and Senior Management as adopted by the Board on annual basis.

7. Induction and Development

The Company may, if required, conduct formal induction program for its Independent Directors which may include any or all of the following:

- Board roles and responsibilities, whilst seeking to build working relationship among the Board members;
- Company's vision, strategic direction, core values, ethics and corporate governance practices; and
- Familiarization with financial matters, management team and business operations;

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

8. Time Commitment

By accepting the appointment, the Independent Directors confirms they will be able to allocate sufficient time to perform their duties as a director and attend meetings of the Board or any committee thereof. In addition to such attendances, Independent Director will be expected to devote appropriate preparation time ahead of each meeting.

9. Performance Appraisal / Evaluation Process

As a member of the Board, performance of Independent Directors as well as the performance of the entire Board and its Committees shall be evaluated annually. The performance evaluation of independent directors shall be done by the entire Board, excluding the director being evaluated. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee and disclosed in the Company's Annual Report.

However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee.

On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

An indicative list of factors that may be evaluated as part of this exercise shall include:

- Participation and contribution by a director, in meeting(s) of the Board and/or Committees;
- Commitment (including guidance provided to senior management outside of Board/ Committee meetings);
- Effective deployment of knowledge and expertise;
- Integrity and maintenance of confidentiality;
- Independence of behaviour and judgment; and
- Impact and influence.

10. Disclosure of Interest

Independent Directors shall disclose material interest that in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record Independent Director(s) interest appropriately and company's records are updated. A general notice that Independent Directors interested in any contracts with a particular person, firm or company is acceptable.

11. Confidentiality

The Independent Directors agrees that both during and after the term of Appointment, Independent Directors will not use for their own, or for another's benefit, or disclose or permit the disclosure of any confidential information relating to the Company, subsidiary or any group or associate companies of the Company, which he/she may acquire by virtue of their position as an independent director, including without limitation, any information about the deliberations of the Board. The restriction shall cease to apply to any confidential information which may (other than by reason of the director's breach of this term), become available to the public generally.

12. Termination

- a. Independent Directors may resign from their position at any time and should they wish to do so, they are requested to serve a reasonable written notice on the Board;
- b. Continuation of their appointment is contingent on getting re-elected them by the shareholders in accordance with provisions of 2013 Act and the Articles of Association of the Company, from time to time in force. Independent Directors will not be entitled to compensation if the shareholders do not re-elect them at any time;
- c. Independent Directors appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

13. Governing Law

This letter of appointment is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the courts of Tamil Nadu. This letter constitutes neither a contract for services nor a service contract. Please confirm your agreement to the terms of appointment relating to your appointment as a non-executive Independent Director of BHARAT FIH by signing and returning to us the enclosed copy of this letter.

14. Relationship

The appointment constitutes neither a contract for services nor a service contract.

There will be no relationship of employer and employee as a consequence of appointment as a director of the Company.

15. Authority

The letter of appointment will be issued under the authority of the Board.

Chairman

,For and on behalf of BHARAT FIH Limited.

AGREE AND ACCEPT

I have read and understood the terms of my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.

Name:

Place:

Date: