



## REGENCY FINCORP LIMITED

### TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS OF THE COMPANY

#### 1. PURPOSE

In compliance with the provisions of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirement) Regulations, 2015, a Company has to evolve terms & conditions of appointment of Independent Directors and disseminate the same on its website. These terms & conditions have been framed pursuant to the Listing regulations & Code for Independent Directors as given in Schedule-IV of Companies Act, 2013. They shall serve as a guide for appointment/removal, performance of duties and ethical conduct of independent directors.

This policy "Terms and Conditions of Appointment of Independent Directors" has been adopted by the Board of Directors of the Company.

#### Terms and Condition of Independent Directors

- a) The Independent Directors will not be liable to retire by rotation.
- b) As a member 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 (the Act) and the Rules there under;
  - accountability under the Directors' Responsibility Statement;
  - Comply with the Company's Code of Conduct;
  - Comply with the Articles of Association of the Company;
- c) They shall also abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.
- d) The independent directors will receive the remuneration as per the remuneration policy of the Company.
- e) The board of directors shall recommend all fees or compensation, if any, paid to non-executive directors, including independent directors and shall require approval of shareholders in general Meeting.

Independent Directors shall not be entitled to any stock option.

- f) The Performance evaluation of the Independent Directors shall be done by the entire Board of directors which shall include:-
- i. performance of the Independent Directors, or
  - ii. fulfillment of the independence criteria as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and their independence from the management

Provided that in the above evaluation, the directors who are subject to evaluation shall not participate.

- g) A person shall not serve as an independent Director in more than seven listed entities.
- h) Any person who is serving as a Whole Time Director/Managing Director in any listed entity shall serve as an independent director in not more than three listed entities

**Obligations with respect to independent directors**

- ✓ The maximum tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard, from time to time.
- ✓ The independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.
- ✓ The independent directors in the meeting shall, inter alia:-
  - a) Review the performance of non-independent directors and the board of directors as a whole;
  - b) Review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors.
  - c) Assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.
  - d) An independent director shall be held liable, only in respect of such acts of omission or commission by the listed entity which had occurred with his knowledge, attributable through processes of board of directors, and with his consent or connivance or where he had not acted diligently with respect to the provisions contained in SEBI regulations.
  - e) An independent director who resigns or is removed from the board of directors of the listed entity shall be replaced by a new independent director by listed entity at the earliest but not later than the immediate next meeting of

the board of directors or three months from the date of such vacancy, whichever is later:

- i) The Independent Directors shall not, without the prior approval of Board, accept employment or a position of responsibility with any other organization for remuneration or otherwise that are prejudicial to the interests of the Company.
- j) During their term, the Independent Directors Shall, at the first meeting of the board in which he participates 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 an independent director, submit a declaration that he meets the criteria of independence as per the provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Section 149 of the Companies Act, 2013.