

ASIT C. MEHTA FINANCIAL SERVICES LTD

CIN: L65900MH1984PLC091326

Registered Office: 'Nucleus House', Saki Vihar Road, Andheri (East), Mumbai: 400072
Tel: 28570781 / 28583333 Email: investorgrievance@acmfsl.co.in Website: www.acmfsl.com

TERMS AND CONDITIONS OF THE APPOINTMENT OF INDEPENDENT DIRECTORS

The terms and conditions of appointment of Independent Directors of the Asit C. Mehta Financial Services Limited (herein referred to as "the Company") are subject to the extant provisions of the: (i) applicable laws, including the Companies Act, 2013 ('Act') and Regulation 46 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (as amended from time to time) and (ii) Articles of Association of the Company.

1. Appointment as Independent Director

The appointment will be for a period of 5 years or the director attaining the retirement age as per the Company's policy, whichever is earlier ("Term"). The Company may disengage Independent Directors prior to completion of the Term subject to compliance of relevant provisions of the Act.

As Independent Directors, they will not be liable to retire by rotation.

Re-appointment 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 re-appointment would be considered by the Board based on the outcome of the performance evaluation process and the directors 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.

2. Tenure

The Tenure of an Independent Director will be for an initial maximum period of 5 years.

On the expiry of the term for which an Independent Director has been appointed, he/she may be reappointed for another term not exceeding 5 years. Such re-appointment is also subject to the approval of the shareholders of ACMFSL.

No Independent Director shall office for more than two consecutive terms, but shall be eligible for appointment after the expiration of three years of ceasing to become an independent director.

3. Disclosures

1. On appointment as Independent Director, the directors shall disclose their concern or interest in any company or companies or body corporate, firms as per Section 184 (1) of the Act. In case of any change in the disclosures already made, the director should inform the company about the same.

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2. Independent Directors shall give a declaration every year that he meets the criteria of Independence.
3. Any other disclosure as required under the Act and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 should be submitted on periodical basis.

4. Role, duties and responsibilities

- a. 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 Company's Code of Conduct.
- b. As members of the Board, they along with the other Directors will be collectively responsible for meeting the objectives of the Board which include:
 - Requirements under the Companies Act, 2013 and Rules thereunder
 - Responsibilities of the Board as outlined in SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015
 - Accountability under the Director's Responsibility Statement
 - Overseeing the maintenance of high standards of the Company's values and ethical code of conduct
 - Protecting and enhancing the brand
- c. The Independent Directors should exercise due care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and shall also exercise independent judgment. They are particularly requested to provide guidance in their area of expertise.
- d. They shall abide by the 'Code For Independent Directors' as outlined in Schedule IV to section 149(8) of the Act, and duties of Directors as provided in the Act (including Section 166) and in SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

5. 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 an Independent Director.
- The Company will hold minimum four Board Meetings in a year. The Independent Directors are expected to attend the additional meetings also, if held by the Company, as well as the meetings of the Committees on which they are appointed to bring objectivity and independence of views to the

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Board's/Committee's discussions. The Independent Director is also expected to attend the General Meetings including Annual General Meeting of the Company.

6. Code of Conduct and Confidentiality of Information

- a. As Independent Directors they agree to comply with the provisions of the Code of Conduct of ACMFSL, as adopted by the Board. The Independent Directors will also be required to affirm annually, compliance with the Company's Code of Code.
- b. Unless specifically authorised by the Company, the Independent Directors will not disclose information in respect of the Company's affairs to media, the financial community, the employees, the members, or to any other persons.
- c. The obligation of confidentiality of information by Independent Director shall survive the cessation of their directorship in the Company.
- d. The Independent Director will adhere to the Company's policy for Prevention of Insider Trading prohibiting disclosure or use of unpublished price sensitive information.

7. Remuneration of Independent Director

- a. The Remuneration payable to each Independent Director is based on the remuneration structure as determined by the Board and is revised from time to time, depending upon individual contribution, Companies Performance and the provisions of the Act.
- b. The Remuneration to the Independent Directors shall be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the company computed as per the applicable provisions of the Act.
- c. The Independent Directors will be entitled to sitting fees for attending the Board/Committee Meetings as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- d. Further the Company may pay or reimburse the Independent Directors such reasonable expenditure, as maybe incurred by them, while performing their role as Independent Director of the Company.

8. Liability

An Independent Director will be liable only in respect of such acts of omission or commission by a company, which had occurred with his knowledge, attributable through Board process, and with his consent or connivance or where he had not acted diligently.

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9. Performance Evaluation

The Board will evaluate the performance of an Independent Director on an annual basis. The Independent Director being evaluated will not be a participant in the deliberations and discussions regarding his performance evaluation. The criteria for performance evaluation will be as recommended by the Nomination and Remuneration Committee and approved by the Board.

10. Termination of appointment

- a. The director can voluntarily resign on submission of notice of resignation with sufficient reasons to the Board of Directors of the Company
- b. The Company may terminate the appointment with immediate effect in case of any serious or repeated breach or non-observance of the obligations as a Director to the Company or in the case of breach of the code of conduct prescribed by the Company
- c. The appointment of an Independent Director will stand automatically terminated due to reasons for any disqualification mentioned in the Act, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and other applicable regulations