



# Arman Financial Services Limited

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## POLICY FOR APPOINTMENT OF INDEPENDANT DIRECTOR

### 1. GOVERNANCE FRAMEWORK

- 1.1. Schedule IV to the Companies Act, 2013 provides for the 'Code for Independent Directors'.
- 1.2. The appointment of Independent Director(s) of the Company is approved at the meeting of the shareholders.
- 1.3. The appointment is for a term of 5 (five) years commencing from the date of appointment and ending ('Termination Date') on 6th Annual General Meeting of the Company following the date of appointment and shall not be liable to retirement by rotation.
- 1.4. As an Independent Director, he is responsible to perform his functions which are given to him by virtue of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosers Requirements) Regulations, 2015.
- 1.5. The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by Independent Directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of Independent Directors.

### 1.6. Other Obligations and Compliances

The Independent Director will be required to execute / confirm with respect to the following documentation on a periodic basis:

- 1.6.1. Confirmation that he is not disqualified to act as a Director of the Company in terms of the Companies Act, 2013;
- 1.6.2. Declaration of Independence in terms of the Companies Act, 2013;
- 1.6.3. Disclosures under the Company Code for Prevention of Insider Trading;
- 1.6.4. Code of Conduct for Directors of the Company;
- 1.6.5. Code of Conduct for Independent Directors as per Schedule IV of the Companies Act, 2013;
- 1.6.6. Disclosure of change in interest in companies where he / she is appointed / ceased as a Director or Key Managerial Personnel;
- 1.6.7. Confirmation that his directorships in companies do not conflict with the interest of the Company.



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## **2. APPOINTMENT PROCESS**

- 2.1.** The appointment process of Independent Directors is independent from the management of the Company. During the selection process, the Board ensures that there is appropriate balance of skills, professionalism, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- 2.2.** The Board shall ensure that the Independent Director proposed to be appointed fulfils the conditions specified in the Act and the Rules made there under and that the proposed director is independent of the management and a statement to that effect is included in the explanatory statement attached to the notice of the meeting.

## **3. ROLE & RESPONSIBILITY OF INDEPENDENT DIRECTOR**

- 3.1.** As an Independent Director, he / she has the same general legal responsibilities to the Company as any other Director including all fiduciary duties, responsibilities, statutory obligations and liabilities of directors prescribed in law including the Companies Act, 2013.

## **4. REMUNERATION**

- 4.1.** The aggregate remuneration to be paid to all the Independent and Non-Executive Directors would not exceed 1% of the total net profits of the Company during any Financial Year which shall be subject to deductions of applicable taxes and any other deductions required, if any by any applicable laws.
- 4.2.** The Company shall pay sitting fee, as determined by the Board from time to time, for attending each Board Meeting and each Committee Meeting.

## **5. CODE OF CONDUCT**

- 5.1.** During the period of the appointment, the Independent Director will be bound by the Company Code of Directors and such other codes of conduct under applicable laws including the Companies Act, 2013 and the Securities and Exchange Board of India Act, 1992.

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