



**UV Asset Reconstruction Company Limited
(UVARCL)**

**Terms and conditions of appointment of the Independent
Directors**

**Reviewed by the Board of Directors in its Board meeting held on August 31, 2024.*

TERMS AND CONDITIONS OF APPOINTMENT OF THE INDEPENDENT DIRECTORS

The following are the terms and conditions as per the provisions of the Companies Act, 2013 (the Act) and the Rules framed thereunder, for appointment of Independent Directors:

1. Guidelines of Professional Conduct

An independent director shall:

- i. upholds ethical standards of integrity and probity;
- ii. act objectively and constructively while exercising your duties;
- iii. exercise your responsibilities in a bona fide manner in the interest of the Company;
- iv. devote sufficient time and attention to your professional obligations for informed and balanced decision-making;
- v. not allow any extraneous considerations that may vitiate your exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision-making;
- vi. not abuse your position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- vii. refrain from any action that could lead to a loss of your independence;
- viii. ensure that if circumstances arise under which you may lose your independence, you will immediately inform the Board accordingly;
- ix. assist the Company in implementing the best corporate governance practices.

2. Role and function and Duties as an Independent Director

The independent directors shall:

- i. help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- ii. bring an objective view in the evaluation of the performance of board and management;
- iii. scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

- iv. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- v. safeguard the interests of all stakeholders, particularly the minority shareholders;
- vi. balance the conflicting interest of the stakeholders;
- vii. determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- viii. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

3. Duties as an Independent Director:

As an independent director, you shall:

- i. undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the company;
- ii. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- iii. strive to attend all meetings of the Board of Directors and of the Board committees of which you are a chairperson or member;
- iv. participate constructively and actively in the committees of the Board in which you are chairpersons or members;
- v. strive to attend the general meetings of the company;
- vi. where you have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that your concerns are recorded in the minutes of the Board meeting;
- vii. keep yourself well informed about the company and the external environment in which it operates;
- viii. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- ix. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same are in the interest of the company;

- x. ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- xi. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- xii. acting within your authority, assist in protecting the legitimate interests of the company, shareholders and the employees;
- xiii. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

4. Time commitment

You will devote such time to the affairs of the Company as is required for discharging your duties as member of the Board and a member/Chairman of the Committee.

We request you to consult with the Chairman if you propose to accept additional assignments that may impact your time availability for fulfilling your aforesaid role for the Company.

5. Performance Evaluation

Your appointment and re-appointment on the Board shall be subject to the outcome of the annual performance evaluation process. The Board has adopted an evaluation process of the Board, Committees of the Board, individual Directors, Chairman and Whole Time Director(s). The Board (or a Committee duly authorized by the Board) shall carry out an evaluation of the performance as per the approved evaluation on an annual basis.

6. Conflict of Interest and disclosure

As per the requirements of the Act, you are required to disclose your other directorships, appointments and interests to the Board. In the event, there is a conflict of interest which is likely to change your status as an Independent Director, then the same be informed immediately to the Whole Time Directors and the Company Secretary.

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