



**Tokyo Finance Limited ['the Company']**

**Terms and conditions of appointment of independent directors**

**APPOINTMENT OF INDEPENDENT DIRECTORS**

The appointment of Independent Directors shall be governed by the applicable provisions of the Companies Act, 2013, read with the rules made under the Companies Act, 2013, Articles of Association, various corporate codes, regulations, policies, applicable guidelines - regulations from Securities and Exchange Board of India, the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 etc. (as amended from time to time) [hereinafter referred to as 'the Regulations']. Anything not defined/ mentioned/ dealt with hereunder shall be construed to have been adopted from the Regulations. Terms and conditions of the appointment shall be subject to change, revision, modification at the sole discretion of the Board.

**Tenure of appointment**

Tenure of Appointment as an independent director as an additional independent director commencing as on 28th March, 2015 as approved by the members at the 22<sup>nd</sup> Annual General Meeting of the Company and valid till 27<sup>th</sup> Annual General Meeting, unless comes to an end by resignation, operation of law, or in any other manner provided under the Companies Act, 2013 or rules there under. Further, subject to the provisions of the Companies Act, 2013 you are eligible for two more term of up to 5 years.

**Expectations from Independent Director**

As an Independent Director you shall attend all the meetings of the Board and the Committees of the Board of Directors on which you are nominated; bring an objective view in evaluation of the performance of the Management; scrutinise the performance of the Management meeting agreed goals and monitor the reporting of performance; satisfy on the integrity of the financial information and that the financial controls and systems of risk management are robust and defensible and such other works as expected as an Independent Director from time to time.



### **Duties as an Independent Director**

Your duty as an Independent Director includes regularly updating and refreshing your skills, knowledge and familiarity with the Company; keep yourself well informed about the Company and external environment in which it operates; strive to attend all meetings of the Board of Directors; seek clarification on information as necessary; participate actively and constructively in Committees in which you are a member/ chairperson; report any concern about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. You shall also abide by the other duties as may be entrusted to you by the Board from time to time or mentioned in the Schedule IV of the Companies Act, 2013 and act in fiduciary capacity.

### **Board and Individual Director Evaluation Processes**

The performance of the Board as a whole, its committees and individual directors is evaluated at regular interval. If, in the meantime, there are any matters which cause concern about their role, they can discuss them with the Chairman of the Board as soon as appropriate.

### **Directors and Officers Liability Insurance**

At present, the Company has not taken any Liability Insurance. However, the same may be considered at a later date.

### **Code of Ethics**

The Company believes and expects its Directors and employees to adhere to the highest standards possible.

### **Prohibited Actions**

During your tenure as an Independent Director of the Company, you shall not enter into any transaction which is in conflict of interest with your fiduciary position as a Director. You shall make all necessary declarations in true and correct manner as required by the Companies Act, 2013. All information acquired during your appointment is confidential to the Company and should not be disclosed either during your appointment or following termination (by whatever means) to the third party except as permitted by law and with prior written clearance from the Chairman.



### **Access to Independent Professional Advice**

All directors are entitled to obtain independent professional advice relating to the affairs of the Company or to their responsibilities as directors. If they consider such advice is necessary, they should first discuss it with the Chairman. Subject to the prior approval of the Chairman, the cost of the advice will be reimbursed by the Company.

### **Remuneration**

You shall be entitled to sitting fees as may be decided by the Board of Directors of the Company and any other payments as decided by the Board from time to time subject to the provisions of the Companies Act, 2013.