

AFCOM HOLDINGS LIMITED

TERMS & CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

1. Purpose

The purpose of these Terms of Reference (“ToR”) is to define the role, responsibilities, duties, and expectations of the Independent Directors of Afcom Holdings Limited (“Company”), in line with the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”), the Articles of Association of the Company, and best standards of corporate governance.

These ToR are framed with reference to the Company’s publicly available Annual Report and the standard terms of appointment of Independent Directors adopted by listed companies in India.

2. Applicability

These Terms of Reference shall apply to all Independent Directors appointed to the Board of Directors of the Company and shall be read in conjunction with the Letter of Appointment issued to the Independent Director, Schedule IV of the Companies Act, 2013, SEBI LODR Regulations, as amended from time to time and applicable policies and codes adopted by the Company.

3. Term of Appointment

Independent Directors shall be appointed for a term not exceeding five (5) consecutive years and shall be eligible for re-appointment for a second term, subject to approval of shareholders and completion of performance evaluation, in accordance with applicable law.

An Independent Director shall not hold office for more than two consecutive terms.

4. Role and Functions

Independent Directors shall:

- Bring an objective and independent judgment to Board deliberations;
- Safeguard the interests of all stakeholders, particularly minority shareholders;
- Contribute to the development of strategy, business plans, and risk management framework;
- Ensure integrity of financial information and robustness of financial controls;
- Oversee performance of executive management and monitor succession planning;
- Satisfy themselves on the integrity of related party transactions;
- Ensure that systems for compliance with applicable laws are adequate and effective;
- Balance the interests of shareholders with those of employees, customers, suppliers, vendors, regulators, and the community.

5. Duties

Independent Directors shall discharge their duties in accordance with Section 166 and Schedule IV of the Companies Act, 2013, including:

- Acting in good faith in order to promote the objects of the Company;
- Exercising duties with due and reasonable care, skill, and diligence;
- Avoiding conflict of interest and promptly disclosing any potential conflict;
- Not achieving or attempting to achieve undue gain or advantage;
- Upholding ethical standards and corporate governance principles.

6. Board and Committee Membership

Independent Directors may be required to serve on one or more committees of the Board, including but not limited to: Audit Committee; Nomination and Remuneration Committee; Stakeholders' Relationship Committee; Risk Management Committee; Corporate Social Responsibility Committee; and any other committee as may be constituted by the Board from time to time.

7. Independence and Declarations

Independent Directors shall: meet the criteria of independence prescribed under Section 149(6) of the Companies Act, 2013 and SEBI LODR Regulations, provide declarations of independence at the time of appointment and annually thereafter and promptly inform the Board if circumstances arise which may impair their independence.

8. Time Commitment

Independent Directors shall devote sufficient time and attention to the affairs of the Company, including attending Board and Committee meetings, adequate preparation prior to meetings, participation in strategy, governance, and risk discussions.

9. Familiarisation and Training

The Company shall facilitate familiarisation programmes for Independent Directors covering Company's business model, operations, and industry environment, regulatory framework applicable to the Company, risk profile and mitigation measures, periodic updates on statutory and regulatory developments.

10. Performance Evaluation

The performance of Independent Directors shall be evaluated annually by the Board, excluding the Director being evaluated, in accordance with the evaluation framework approved by the Board and SEBI LODR Regulations.

11. Remuneration

Independent Directors shall be entitled to sitting fees for attending meetings of the Board and Committees, commission, if approved by shareholders and reimbursement of expenses incurred in the performance of duties.

All remuneration shall be in accordance with applicable provisions of law and approved policies of the Company.

12. Confidentiality

Independent Directors shall maintain strict confidentiality of all non-public information obtained during the course of their association with the Company, both during and after their tenure, unless disclosure is required by law.

13. Indemnity and Insurance

The Company shall provide suitable indemnity to Independent Directors to the extent permitted by law and maintain Directors' and Officers' Liability Insurance during the tenure of appointment.

14. Code of Conduct and Insider Trading

Independent Directors shall comply with the Company's Code of Conduct, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and SEBI (Prohibition of Insider Trading) Regulations, 2015.

15. Governing Law

These Terms of Reference shall be governed by and construed in accordance with the laws of India and shall be subject to the jurisdiction of competent courts in India.

16. Review and Amendment

These Terms of Reference shall be reviewed periodically by the Board and may be amended to align with changes in law, regulations, or governance practices.