

Draft letter of appointment issued to the Independent Director

Date

(Name of Independent Director)

(Address)

Re : Appointment to the Board of Directors as Independent Director

On behalf of Pudhuaaru Financial Services Private Ltd, I am pleased to inform you that the shareholders of the Company have approved your appointment as an Independent Director of the Company at the _____ General Meeting held on _____ pursuant to the provisions of the Companies Act, 2013 and other applicable laws.

Your appointment as a Non-executive Independent Director will be till _____. You shall not be liable to retire by rotation as per the relevant provisions of the Companies Act, 2013.

Your appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013.

Your terms of appointment should be construed as defined under the Companies Act, 2013.

COMMITTEES

The Board of Directors (the Board) may, if it deems fit, invite you to serve on one or more of the Board Committees. Your appointment on such Committee (s) will be subject to applicable regulations and charter of the respective committee.

EXPECTATIONS OF THE BOARD

- **Time Commitment:** You are expected to bring objectivity and independence of view to the Board's discussions and to help in providing the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance. The Board meets at least four times in a year. Whereas other Committees like Audit Committee, Nomination and Remuneration Committee, and other Committee meetings are also regularly as may be decided from time to time. You will be expected to attend Board, Board Committees to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively. Ordinarily, all meetings are held in Chennai.
- **Disclosure of Interest:** You should give us required disclosure as prescribed under the statutes. The Company Secretary will co-ordinate with you for getting such disclosures from time to time. Further furnish us the annual declaration that you meet the criteria of Independence as per Companies Act, 2013. Further update promptly, wherever there is change in circumstance which may affect your status of Independence.

- **Confidentiality:** You must apply the highest standard of confidentiality and not disclose to any person or Company, whether during the course of Appointment or at any time after termination, any confidential information concerning the Company and any group Companies with which you come into contact by virtue of your position.

ROLE, RESPONSIBILITIES AND DUTIES ALONG WITH ACCOMPANYING LIABILITIES

As a Non-Executive Independent Director of the Company you shall act in accordance with the provisions of the Companies Act, 2013, and in accordance with the Articles of Association of the Company.

The fiduciary duties of Executive and Non-Executive directors are as under:

- Act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- Exercise duties with due and reasonable care, skill and diligence and exercise independent judgment.
- Not involve in a situation where there is a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- Not achieve or attempt to achieve any undue gain or advantage either to himself or to your relatives, partners, or associates
- Not to assign your office as Director.

In addition to the above, the role of the Non-Executive Independent Director has the following key elements:

Strategy: You will constructively contribute in the development of the Company strategy.

Performance: You should scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

Risk: You should satisfy yourself that financial information is accurate and that financial controls and systems of risk management are robust and defensible.

People: You should 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;

If as a Director of the Company, if you contravene any provisions of the Companies Act, you shall be punishable with fine under the statute and may also exposed to Civil Action, Criminal Action or Class Action Suit by the Shareholders.

FEES AND REMUNERATION

You shall be paid remuneration by way of sitting fees which is presently at Rs.25,000/- per meeting, for attending Board/Board Committee meetings, or such sitting fees as may be approved by the Board from time to time. However, such sitting fees shall be within the limits of the Companies Act, 2013.

In addition to fees and remuneration described above, the Company shall reimburse you the traveling, hotel, out of pocket and other incidental expenses incurred by you in performance of your roles and duties.

DIRECTORS AND OFFICERS (D&O) LIABILITY INSURANCE

The Company has Directors and Officers (D&O) liability Insurance policy which is intended to maintain such cover for claim made against the directors while serving on the Board of the Company.

CODE OF ETHICS AND BUSINESS CONDUCT

The Company has formulated and adopted a Board of Directors Handbook for all the Board members. The Handbook enumerates the duties, powers and responsibilities of a Director.

TRAINING SESSIONS

The Company shall from time to time provide you with suitable sessions to familiarize with the company, including briefing from the management, nature of the industry in which the company operates, business model of the company, etc.

EVALUATION OF BOARD

As a Non-Executive Independent Director you should strive to attend one meeting of the Independent directors in a year, without the presence of Non- Independent Directors and member of the management team with the sole objective of:

- review the performance of Non-Independent Directors and the Board as a whole;
- review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Further each Non-Executive Independent Director appointment or re-appointment is subject to yearly evaluation process adopted by the Board.

JURISDICTION AND GOVERNING LAW

This agreement is governed by and will be interpreted in accordance with Indian law and your

engagement shall be subject to the jurisdiction of the Indian Courts.

Yours Sincerely,

Chairman/Managing Director

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