



**LETTER OF APPOINTMENT**

Date, \*\*\*\*

**Mr./ Ms. \*\*\*\*\***

**\*\*\* Address\*\*\*\*\***

**Re : Appointment to the Board of Directors as an Independent Director**

**Dear Mr./ Ms. \*\*\*\*\*,**

On behalf of Dvara Kshetriya Gramin Financial Services Private Limited, 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 Extra-ordinary General Meeting held on \*\*\*\*\*, pursuant to the provisions of Sec 149 of the Companies Act, 2013 and other applicable laws. Your term will be effective from \*\*\*\*\*, through \*\*\*\*\*. The detailed terms of appointment are in Annexure A.

Dvara KGFS has a mission of ensuring that every individual and every enterprise in remote rural India has complete access to financial services. Over the last thirteen years, the Company has made important strides towards this mission. We are certain that with your guidance and support, much progress can be made.

The Dvara Group is committed to the highest standards of corporate governance. We remain available at all times to support you.

I look forward to working closely with you.

Sincerely,

**Samir Shah**  
**Vice Chair**



## Annexure – A

### Terms of Appointment

#### 1. APPLICABLE LAWS

You may please note that your appointment will be guided by the below mentioned conditions which are in line with the provisions of Schedule IV – Code for Independent directors of the Companies act 2013 and such other applicable provisions or rules if any as may be prescribed.

Your appointment as a Non-executive Independent Director will be till \*\*\*\*\*. You shall not be liable to retire by rotation as per Sec 149 of the Companies Act, 2013.

Your appointment is also subject to the maximum permissible Directorships that one can hold as per Sec 165 of the Companies Act, 2013.

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

#### 2. 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 the provisions of Companies Act, 2013 and charter of the respective committee.

#### 3. EXPECTATIONS

- **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 atleast four times in a year. Whereas other Committees like Audit Committee, Nomination and Remuneration Committee, and other Committee meetings are also held 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 to devote such time as appropriate for you to discharge your duties effectively. Ordinarily, all meetings are held in Chennai.
- **Disclosure of Interest:** You are expected to provide us the required disclosures as prescribed under the statutes. The Company Secretary will co-ordinate with you for getting such disclosures from time to time. Further, you are required to furnish us the annual declaration that you meet



the criteria of Independence as per Companies Act, 2013. Wherever there is change in circumstance which may affect your status of Independence, please inform the Company Secretary promptly.

- **Confidentiality:** You are expected to 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.

#### **4. 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 yourself 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, 2013 you shall be punishable with fine under the statute and may also be exposed to Civil Action, Criminal Action or Class Action Suit by the Shareholders.

## **5. FEES AND REMUNERATION**

You shall be paid remuneration by way of sitting fees for attending Board/Board Committee meeting(s), 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. Presently, sitting fees payable to the directors per meeting are as follows:

- Board & Audit committees - Rs.\*\*\*\*\*/-
- Other Board committees – Rs.\*\*\*\*\*/-

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

## **6. 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.

## **7. 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.

## **8. 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.

## **9. RESIGNATION**

You may resign any time from the position of Non-Executive Independent Director by a written notice. It is desirable that you inform Chairperson in advance of your intention to resign or not to seek re-appointment which will help to fill the vacancy.

## **10. JURISDICTION AND GOVERNING LAW**

This letter 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.