

## LETTER OF APPOINTMENT OF INDEPENDENT DIRECTOR

To,  
The Director

Dear Mr. / Ms. ,

We are pleased to inform you that the Board of Directors of the Company has approved your appointment as an Independent Director of the Company w.e.f. \_\_\_\_\_. The terms and conditions of your appointment are as follows:

### 1. Appointment

- 1.1 Your appointment is subject to the maximum permissible Directorship that one can hold as per the provisions of the said Act.
- 1.2 The term Independent Director should be construed as defined under the Companies Act, 2013 and accordingly all the provisions read with Schedule IV with respect to Independent Director under the said Act shall be applicable to you.

### 2. Committees

The Board of Directors has appointed you as Member / Chairman of the following Committees of the Board viz;

- a)
- b)

The Board may nominate you in any other Committee(s) as it deems fit after seeking your approval. Being the member of the said Committees you will be governed by the applicable laws. Terms of reference of each of the Committee is annexed herewith for your reference.

### 3. Time Commitment

- 3.1 As a Non-Executive Independent Director you are expected to bring objectivity and independence of view to the Board's discussions and to help provide 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 and Audit Committee meet at least four times in a year. Besides, there are other Committee meetings like NRC Committee and CSR Committee, which are ordinarily convened as and when required. You will be expected to attend Board and its Committee Meetings of which you are member and Shareholders meeting and to devote such time to your duties, as appropriate for you to discharge your duties effectively. Ordinarily, all meetings are held in Mumbai.
- 3.2 By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

### 4. Role and Duties

Your role and duties will be those as required to be performed by the Non-Executive Independent Director under the Companies Act, 2013 and other applicable laws in force. There are certain duties prescribed for all Directors, which are fiduciary in nature and are as under:

- I. You shall act in accordance with the Company's Articles of Association.
- II. You shall 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 interest of the Company.
- III. You shall discharge your duties with due and reasonable care, skill and diligence.
- IV. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- V. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- VI. You shall not assign your office as Director and any assignments so made shall be void.

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

**Strategy:** Non-Executive Independent Director should constructively challenge and help develop proposals on strategy;

**Performance:** Non-Executive Independent Director should scrutinize the performance of management in meeting agreed goals and objectives;

**Risk:** Non-Executive Independent Director should satisfy them on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;

**People:** Non-Executive Independent Director are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning; and

**Compliance:** Non-Executive Independent Director should keep governance, Business Ethics and compliance with the applicable legislation and regulations under review and the conformity of our Company practices to accepted norms.

## 5. Status of Appointment

You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid sitting fees of ₹ \_\_\_\_\_/- per meeting of the Board or its Committee thereof. The sitting fees shall be subject to applicable taxes and statutory deductions like TDS.

## 6. Reimbursement of Expenses

In addition to the remuneration described in clause 5 the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

## 7. Conflict of Interest:

7.1 It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.

7.2 In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgment that you are independent, this should be disclosed to both the Chairman and the Secretary.

#### **8. Confidentiality:**

All information acquired during your appointment is confidential and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of regulatory body. On reasonable request you shall surrender any documents and other materials made available to you by the company.

#### **9. Evaluation:**

The Independent Director shall be subject to the policy of evaluation of Independent Board Members as adopted by the Company from time to time. Your appointment and re-appointment on the Board shall subject to the outcome of the yearly evaluation process.

#### **10. Insurance:**

Our company has Directors' and Officers' liability insurance and it is intended that our company will assume and maintain such cover for the full term of your appointment.

#### **11. Disclosure of Interest:**

During the term, you agree to promptly notify the Company of any change in your directorships and provide such other disclosure and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the Chairman and the Company Secretary.

#### **12. Termination**

- a. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice on the Board. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by you in the notice, whichever is later.
- b. Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.
- c. Your appointment may also be terminated in accordance with the provisions of the applicable laws and Articles of Association of the Company.

#### **13. 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.

If you are willing to accept these terms of appointment relating to your appointment as a Non Executive Independent Director of the company, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Yours sincerely  
For and on behalf of Avanse Financial Services Limited

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**Chairman**

Date:

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I hereby acknowledge receipt of and accept the terms set out in this letter.

Signed: \_\_\_\_\_

Name: