

**LETTER OF APPOINTMENT  
INDEPENDENT DIRECTOR**

Date: \_\_\_\_\_

Mr./Ms. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Dear Sir/Madam,

You are welcomed to the Board of Lendingkart Finance Limited (the “**Company**”) as an Independent Director.

We are pleased to inform you that the Board of Directors of the Company (the “**Board**”) on the recommendation of the Nomination and Remuneration Committee has appointed you as a Non-Executive Independent Director to the Board with effect from \_\_\_\_\_, subject to approval of shareholders of the Company.

This letter of appointment sets out the terms and conditions covering your appointment which are as follows:

**1. Appointment and Term thereof**

Subject to the provisions Section 149, 161 and 152 and other applicable provisions of the Companies Act, 2013 (the ‘Act’) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (‘Rules’) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), you are appointed as the Non-Executive Independent Director on the Board of Directors of the Company with effect from \_\_\_\_\_, subject to approval of shareholders of the Company.

Your term of appointment is for a period of \_\_\_\_\_ (the “**Term**”), and subject to confirmation by the shareholders of the Company.

**2. Expectation of Board/Board Committee**

An Independent Director is expected to adhere to the governance standards and professional conduct as prescribed in the law and the Code of Conduct. An Independent Director shall provide his/ her valuable contributions and independent judgment in

shaping key decisions, strategies, performance and risk evaluations, in the interest of the Company and its stakeholders.

The Board may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that may be set up in the future. Your appointment on such Committee(s) are/ will be subject to the approval of the Board and/or the applicable regulations.

You are expected to attend the meetings of the Board, and the Board Committees, to which you are and may be appointed, and Shareholders' meetings and to devote such time to your duties as may be deemed appropriate for the discharge of your duties effectively.

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.

### **3. Roles, Duties, Functions and Responsibilities**

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013.

There are certain duties prescribed by the 'Act' for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are, inter alia, as under:

- 1 You shall act in accordance with the Company's Articles of Association.
- 2 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.
- 3 You shall discharge your duties with due and reasonable care, skill and diligence.
- 4 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.
- 5 You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- 6 You shall not assign your office as the Director and any assignments so made shall be void.

As an Independent Director, you shall be required to shoulder and fulfill following Roles and Functions:

- 1 help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;

- 2 bring an objective view in the evaluation of the performance of the Board and the management
- 3 scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 4 satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- 5 safeguard the interests of all stakeholders, particularly the minority shareholders;
- 6 balance the conflicting interest of the stakeholders;
- 7 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;
- 8 moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

In addition to the above, as an Independent Director, you shall have the following Duties and Responsibilities:

- 1 undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company;
- 2 seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- 3 strive to attend all meetings of the Board and of the Board Committees of which you are a member;
- 4 participate constructively and actively in the committees of the Board in which you are chairperson or member;
- 5 strive to attend the general meetings of the Company;
- 6 where you have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that your concerns are recorded in the minutes of the Board meetings;
- 7 keep yourself well informed about the Company and the external environment in which it operates;
- 8 not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- 9 pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same is in the interest of the Company;
- 10 ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;

- 11 report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy;
- 12 act within your authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 13 not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by the law.
- 14 undertake the proficiency test, if required and as applicable, under the provisions of the Act and the Rules made thereunder, and inform the result to the Company at the earliest;
- 15 comply with the requirement under the Act, of filing the DIR-3-KYC-WEB every year;
- 16 update immediately the details in your DIN, whenever the need be.
- 17 Ensure that your name is included in the data bank, created and maintained by the Indian Institute of Corporate Affairs during your tenure as Independent Director of the Company.

#### **4. Directors & Officers (D & O) Insurance**

The Company has taken a D & O Insurance policy and a copy of the same will be provided to you on request.

#### **5. Code of Conduct / Excluded Actions**

The Company has in place, a Code of Conduct.

Additionally, every Independent Director is, at the time of appointment and annually thereafter, required to give a declaration that he/she meets the criteria of independence as provided in the Companies Act, 2013 and rules made thereunder, as amended from time to time, and adhere to the following standards of professional conduct while performing his duties as an Independent Director:

- 1 uphold ethical standards of integrity and probity;
- 2 act objectively and constructively while exercising his/ her duties;
- 3 exercise his/ her responsibilities in a bona fide manner in the interest of the company;
- 4 devote sufficient time and attention to his/ her professional obligations for informed and balanced decision making;
- 5 not allow any extraneous considerations that will vitiate his/ her exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;

- 6 not abuse his/ her position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- 7 refrain from any action that would lead to loss of his/ her independence;
- 8 where circumstances arise which make an Independent Director lose his/ her independence, the Independent Director must immediately inform the Board accordingly;
- 9 assist the Company in implementing the best corporate governance practices.

## **6. Restrictions:**

The Company acknowledges that an Independent Director may have business interest other than those of the Company and hence has a duty to disclose any interest in a proposed/existing transaction or arrangement with the Company. In the event of any potential conflict of interest, the same should be disclosed to the Board immediately.

Attention is also drawn to the requirements under both legislation and regulation as to the disclosure of price-sensitive information. Consequently, an Independent Director should refrain from making any statements that might risk a breach of these requirements.

## **7. Disclosures, other Directorships and Business Interests**

During the Term, you agree to promptly notify the Company of any change in your directorships and provide such other disclosures 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 Company.

During your term, you agree to promptly provide a declaration under Section 149(7) of the Act, upon any change in circumstances which may affect your status as an Independent Director.

## **8. Changes in Personal Details**

During the Term, you shall promptly intimate the Company and the Registrar of Companies (wherever required), in the prescribed manner, of any change in address or other contact and personal details as provided to the Company.

## **9. Fees / Remuneration**

You will be paid such remuneration by way of sitting fees for attending the meetings of the Board and the Committees and /or profit related commission, if any, as may be decided by the Board from time to time, subject to the approval of the shareholders, if required.

Further, the Company may pay or reimburse to you such fair and reasonable expenditure, as may have been incurred by you while performing your role as an Independent Director of the Company.

## **10. Termination**

Your directorship on the Board of the Company shall be terminated or ceased, at the expiry of the Term or in accordance with the law, as the case may be. Apart from the grounds of termination as specified in the Act, your directorship may also be terminated for violation of any provision(s) of the Code of Conduct of the Company or the terms of your appointment.

You may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for such resignation.

If, at any stage during the Term, there is a change that may affect your status as an Independent Director as envisaged in Section 149(6) of the Act and the Listing Regulations, or if you fail to meet the criteria for “independence” under the provisions of the Act and the Listing Regulations, you agree to promptly submit your resignation to the Company with effect from the date of such change.

## **11. Co-operation & Confidentiality**

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your term, you agree to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably requested by the Company. Further, all information acquired during your appointment is confidential (including commercial secrets, technologies, advertising, business promotion plans, unpublished price sensitive information, etc.) to the Company and should not be revealed, either during your appointment or after termination of your appointment (by whatever means) to third parties without prior clearance from the Board unless required by the law or by the rules of any regulatory body.

## **12. Governing Law**

This document 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 in Ahmedabad.

## **13. Miscellaneous**

This letter represents the entire understanding, and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between yourself and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom. However, all the terms, conditions and provisions as stated in the Act or rules made under the Act and amended from time to time, are and shall be deemed to form part of this appointment letter.

No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.

We look forward for your valuable contribution and guidance to growth of the Company.

Yours sincerely,

**For Lendingkart Finance Limited**

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