

# LETTER OF APPOINTMENT FOR INDEPENDENT DIRECTORS

{Pursuant to the provisions of Sections 149 of the Companies Act, 2013 read with Schedule –IV  
and the Rules made thereof and as amended from time to time}

To,

Dear Sir,

## **Sub.: Your appointment as an Independent Director**

I am pleased to inform you that the members of the Company at the General Meeting held on \_\_\_\_\_, the \_\_\_ day of \_\_\_\_\_, 20\_\_\_, have approved your appointment as an Independent Director of the Company (“Independent Director”) in terms of the provisions of Section 149 the Companies Act, 2013 and Rules made thereunder.

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

### **1. Appointment**

- 1.1 In accordance with the provisions of the Companies Act, 2013 (the “Act”) and the Rules made there under read with Schedule IV to the Act, you are Appointed as a Non-Executive Independent Director on the Board of Directors of Company for a period of five consecutive years with effect from \_\_\_\_\_. Your appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013.
- 1.2 The term Independent Director should be construed as defined under the Act.
- 1.3 The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Act, as may be amended from time to time. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. The Company is at liberty to disengage the Independent Directors earlier subject to compliance of relevant provisions of the Act.

### **2. Committees**

The Board may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that it sets up in the future during the tenure of your office. Upon your appointment, you will be provided with the appropriate committee charter which sets out the functions of that Committee.

### **3. Time Commitment**

- 3.1 As an 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 meets at least four times in a year. Besides having a Corporate Social Responsibility Committee, the Company is required to constitute the following Committees of Directors with their terms of reference to be determined: a) Audit Committee b) Nomination and Remuneration Committee c) Stakeholders Relationship Committee

d) Corporate Social Responsibility (CSR) Committee e) other Committee, as may be required. The Board may request you from time to time for being appointed on one or more of the aforesaid Committees or any other Committee as may be constituted from time to time. The mandate of the Committees shall be as decided by the Board from time to time. You will be expected to attend Board meetings, Board Committee(s) meeting 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 at the registered office of the Company or such other place as decided by the Board of Directors.

- 3.2 The Board aims to have at least one “independent directors only” meeting during each financial year so that they can have a full and frank discussion on the performance of the Company, risks faced by the Company and the performance of executive members of the Board. Independent Directors may invite the Chairman, any executive director or any other senior management personnel to make presentations on relevant issues.
- 3.3 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**

Independent directors have the same general legal responsibilities to the Company as that of any other director as provided under the Companies Act, 2013 and the rules thereunder. The Board, as a whole, is collectively responsible for ensuring the success of the Company by directing and supervising the Company’s affairs. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as mentioned in **Annexure-I** hereto. Apart from that your conduct shall abide by the Code of Independent Directors as prescribed under the Schedule IV of the Companies Act, 2013, as may be amended from time to time and with the Code of Business Conduct and Ethics as formulated by the Company and as may be amended from time to time.

#### **5. Status of Appointment and Remuneration**

You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid an annual remuneration of INR \_\_\_\_\_ million; and (b) sitting fees of INR \_\_\_ million per meeting for attending meetings of the Board and committees of the Board, subject to deduction of applicable taxes. However, the annual remuneration and the sitting fees may be subject to change as may be approved by the Board and/or in accordance with the limits as prescribed under the Act

#### **6. Reimbursement of Expenses**

In addition to the remuneration described in paragraph 5, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in connection with your attending the meetings of the Board and/or Committees thereof.

#### **7. Conflict of Interest**

- 7.1 It is accepted and acknowledged that you may have business interests other than those of the Company. 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 and in the event of your further appointment and relinquishment as Director in other entities.

7.2 In the event, your circumstances seem likely to change which might give rise to a conflict of interest or there are circumstances that might lead the Board to revise its judgement that you are independent, such circumstances shall be disclosed to the Board who shall have the authority to take appropriate decision in this regard.

## **8. Confidentiality**

All information acquired during your appointment is confidential to the Company 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 regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

Your attention is also drawn to the requirements under the to be applicable regulations and the Code of Conduct for Prevention of Insider Trading which concerns the disclosure of price sensitive information and dealing in the securities of the Company going forward. Consequently, you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman.

## **9. Familiarization Program**

Immediately after your appointment, a familiarization program shall be undertaken for you to enable you to understand the business of the Company including sharing Organizational Chart, publicity material of the company & policy handbook of the Company etc. Ongoing training and familiarisation sessions, including briefings from management on business, strategy, operations & financial updates shall also be conducted. Please avail yourself of these opportunities as fully as is appropriate to your circumstances.

## **10. Evaluation**

The Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis.

## **11. Insurance**

The Company has Directors' and Officers' liability insurance (to a limited extent) and it is intended that the Company will assume and maintain such cover for the full term of your appointment.

## **12. Independent Professional Advice**

There may be occasions when you consider that you need professional advice in furtherance of your duties as a Director. You may consult independent advisors at the Company's expense subject to an advance intimation to the Company about such proposed consultation. The Company will reimburse any such cost incurred in accordance with the Company's policy.

## **13. Disclosure of Interest**

The Company is required to include in its Financial Statements a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so

that the minutes may record your interest appropriately. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

**14. 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.
- b. Your appointment for a second term is contingent on your getting re-elected by the shareholders in accordance with provisions of Act. 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 Companies Act, 2013.

**15. 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 your appointment as an Independent Director of the Company, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

<p>Yours sincerely,</p> <p><b>For PB Fintech Limited</b> (Formerly known as “Etechaces Marketing and Consulting Private Limited”)</p>	<p>I hereby acknowledge receipt of and accept the terms set out in this letter.</p>
<p><b>Signature:</b>.....</p> <p><b>Name:</b></p> <p><b>Designation:</b></p> <p><b>Date:</b></p>	<p><b>Signature:</b>.....</p> <p><b>Name:</b></p>

**Duties of Directors**

- 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, its employees, the shareholders, the community and for the protection of environment.
- 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 Independent Director has the following key elements besides other duties cast upon them under Schedule IV of the Companies Act, 2013:

- I. help in bringing an independent judgement to bear on Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- II. bring an objective view in the evaluation of the performance of board and management;
- III. Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- IV. Satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
- V. Safeguard the interests of all stakeholders, particularly the minority shareholders;
- VI. Balance the conflicting interest of shareholders;
- VII. 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;
- VIII. Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.