

Letter of Appointment - Independent Director

Date: [Date]

Mr./Ms. [Name]
[Address]

Dear [Name],

Following our recent discussions, we are pleased to inform you that your appointment as an Independent Director of Edgro Finance Private Limited (the “**Company**”) has been approved by the Board of Directors (the “**Board**”) and will take effect from [Effective Date].

In addition to the provisions outlined in the Companies Act, 2013 and the relevant rules and regulations, your role as Independent Director will be governed by the following terms and conditions:

1. Terms of the Appointment

The Board, exercising its authority under Sections 149 and 161(1) of the Companies Act, 2013 (the “**Act**”), and in accordance with Schedule IV of the Act, has approved your appointment as an “**Independent Director**” on “**Non-Executive**” basis. This appointment is subject to the provisions of the Companies Act, 2013, the Code for Independent Directors outlined in Schedule IV, the Articles of Association of the Company, and the fulfilment of prescribed independence criteria.

Your appointment as an Independent Director, and any subsequent regularization, is contingent upon approval by the shareholders at the general meeting. The appointment is valid for a term of [#] years (the “**Term**”) on the Board of the Company and is subject to eligibility for reappointment in accordance with the applicable provisions of the Companies Act, 2013. The Company will conduct an annual evaluation of the performance of the Board, its committees, and its Directors. Your appointment and reappointment to the Board will be contingent upon the results of this evaluation process.

Please note that your role as Independent Director does not create an employer-employee relationship with the Company under any Applicable Laws.

2. Membership of Committees

During your tenure as an Independent Director of the Company, the Board may, at its discretion, invite you to serve on one or more committees formed or to be formed by the Board. Upon such appointment, you shall adhere to the charter documents and/or policies of each committee, fulfilling the roles and responsibilities as outlined therein.

3. Roles and Responsibilities as Director

Your role and duties will align with those typically required of an Independent Director on Non-Executive basis under the Companies Act, 2013. You are expected to comply with the ‘**Code for Independent Directors**’ as

specified in Schedule IV of the Act. For your reference, the relevant provisions have been extracted and are attached to this letter as **Annexure A**.

4. Remuneration

You will not be entitled to any remuneration or commission for performing your duties as an Independent Director. However, you will be eligible for sitting fees (excluding Goods & Service Tax, if applicable) for attending Board and committee meetings, as prescribed under the Companies Act, 2013. Such sitting fees will be subject to tax deduction at source in accordance with the Income Tax Act, 1961.

5. Reimbursement of Expenses

In addition to the sitting fees, the Company will reimburse reasonable expenses incurred in the discharge of your duties, including:

- Economy class airfare for attending Board or committee meetings.
- Accommodation of high standing in accordance with Company Policy for Senior Management members.
- Pick and drop services for attending Board and committee meetings.

6. Confidentiality

During your directorship, you may have access to confidential information about the Company, its directors, employees, and related entities. "**Confidential Information**" includes, but is not limited to:

- Trade secrets, processes, techniques, designs, formulas, or security arrangements of the Company.
- Information about customers, clients, borrowers, business partners, or employees of the Company.
- Unpublished Price Sensitive Information as per the Insider Trading Code of the Company.
- Any other information shared with you during your tenure.

Confidential Information does not include information that:

- Becomes public knowledge through no fault of your own.
- Was known to you prior to disclosure, as evidenced by written records.
- Is received from a third party legally entitled to disclose it.

You agree to:

- Not disclose Confidential Information to third parties without the Company's prior written consent.
- Notify the Company promptly of any breach or potential breach of confidentiality.
- Disclose Confidential Information if required by law, providing reasonable notice to the Company to seek a protective order or remedy. If no such order is obtained, only disclose the minimum information required by law and ensure confidential treatment.

All Confidential Information remains the property of the Company and must be returned or destroyed upon the Company's request or upon cessation of your directorship. You agree to return or destroy all documents containing Confidential Information within two (2) days of termination of your directorship and to provide a "**certificate of destruction**".

The obligation to maintain confidentiality will continue for five (5) years after the end of your directorship.

7. Termination

You may resign from your position as “**Independent Director**” at any time by providing written notice of at least 30 days to the Board. The Company may also terminate your appointment under the following circumstances:

- You become disqualified from serving as an Independent Director according to the applicable provisions of the Companies Act, 2013.
- You are absent from all Board meetings for a period of 12 consecutive months.
- You fail to disclose your interest in any contract or arrangement, whether direct or indirect, with the Company.
- The Company passes a resolution by its shareholders to terminate your directorship.
- The term of your directorship expires without renewal by the Board or shareholders of the Company.

8. Governing Law

This letter of appointment shall be governed by and construed in accordance with Indian law. Any disputes arising under this appointment shall be subject to the jurisdiction of the courts located in Bangalore.

Please confirm your acceptance of the terms outlined in this letter by signing and returning a copy to us.

Yours sincerely,

For and on behalf of **Edgro Finance Private Limited**

Bibhu Prasad Das
Whole-time Director

AGREE AND ACCEPT

I, hereby acknowledge that I have thoroughly reviewed and comprehended the terms and conditions outlined in this Letter of Appointment as an Independent Director of Edgro Finance Private Limited ("**the Company**"). By signing below, I affirm my acceptance of and agreement / Letter of Appointment to all the terms specified herein, including but not limited to the provisions related to my appointment, roles, responsibilities, remuneration, reimbursement of expenses, confidentiality obligations, and termination conditions.

I further confirm that I understand and agree to be bound by the legal and regulatory requirements applicable to Independent Directors as per the Companies Act, 2013 and any other relevant laws. I acknowledge that this acceptance constitutes a binding agreement between myself and the Company and that I will comply with all duties and obligations as an Independent Director as set forth in this Letter of Appointment.

[Director's Name]

Date: [Date]

Place: [Place]

Annexure A**Code for Independent Directors**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An independent director shall:

- (1) uphold ethical standards of integrity and probity.
- (2) act objectively and constructively while exercising his duties.
- (3) exercise his responsibilities in a bona fide manner in the interest of the company.
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making.
- (5) not allow any extraneous considerations that will vitiate his 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 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 independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent Directors shall:

- (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 board and management;
- (3) scrutinise 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.

III. Duties:

The independent Directors shall—

- (1) undertake appropriate induction and regularly update and refresh their 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 of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they 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 their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves 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 themselves that the same are 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) acting within his 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 law.

IV. Manner of appointment:

- (1) Appointment process of independent Directors shall be independent of the company management; while selecting independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

(4) The appointment of independent Directors shall be formalised through a letter of appointment, which shall set out :

- (a) the term of appointment;
- (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
- (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
- (d) provision for Directors and Officers (D and O) insurance, if any;
- (e) the Code of Business Ethics that the company expects its Directors and employees to follow;
- (f) the list of actions that a director should not do while functioning as such in the company; and
- (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

(5) The terms and conditions of appointment of independent Directors shall be open for inspection at the registered office of the company by any member during normal business hours.

(6) The terms and conditions of appointment of independent Directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

(1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.

(2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.

(3) Where the company fulfils the requirement of Independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

(1) The independent Directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent Directors and members of management.

(2) All the Independent Directors of the company shall strive to be present at such meeting;

(3) The meeting shall:

- (a) review the performance of non-independent Directors and the Board as a whole;
- (b) review the performance of the Chairperson of the company, taking into account the views of executive Directors and non-executive Directors;
- (c) 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.

VIII. Evaluation mechanism:

- (1) The performance evaluation of independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

(End of the Letter of Appointment)