

Terms and Conditions of appointment as Independent Director of CredAvenue Private Limited under the Provisions of Companies Act, 2013 and rules applicable thereunder.

Below is the terms and conditions for appointment of Independent Director:

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, the appointment is for a period of five consecutive years or such other less period as may be decided by the Members and the 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 consecutive terms of five years each on the Board of the Company.
- 1.4. The appointment for a second term is contingent on the Independent Director getting re-elected by the shareholders in accordance with the provisions of the Act. Independent Director will not be entitled to compensation if the shareholders do not re-elect him/ her at any time.

2. Committees

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

3. Expectation of the Board & Fiduciary Duties

- 3.1. As an Independent Director, he/ she is 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.
- 3.2. The Board meets at least four times in a year. Besides having a Corporate Social Responsibility Committee, the Company is likely to constitute the following Committees of Directors with their terms of reference to be determined, soon. They are: a) Audit Committee b) Nomination and Remuneration Committee c) Stakeholders Relationship Committee d) other Committee, as may be required. He/ She will be expected to attend Board meetings, Board Committee(s) meeting to which he/ she may be appointed and Shareholders meetings and to devote such time as appropriate for him/ her to discharge his/ her 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. In case the Independent Director wishes to avail leave of absence, he/ she will have to inform the Company Secretary and/ or the Managing Director and/ or the Chairperson of the Board or the Committee, as the case may be.
- 3.3. The Board aims to have at least one “independent directors only” meeting during each financial year so that they can have a detailed discussion on the performance of the Company, risks faced by the Company and the performance of executive members of the Board.

- 3.4. By accepting the appointment, the Independent Director confirms that he/ she will be able to allocate sufficient time to meet the expectations from the role to the satisfaction of the Board.
- 3.5. 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.
- 3.6. 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.
- 3.7. Apart from that, the Independent Director 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.

4. Termination

- a. The Independent Director may resign from his/ her position at any time and should he/ she wish to do so, he/ she is requested to serve a reasonable written notice on the Board.
- b. The appointment may also be terminated in accordance with the provisions of the Companies Act, 2013.

5. Status of Appointment

- 5.1. The Independent Director will not be an employee of the Company and this letter shall not constitute a contract of employment.
- 5.2. The company shall pay a sitting fee as per the provisions of Companies Act, 2013 for attending meetings of the Board and any of the committees of the Board, subject to deduction of applicable taxes. He/ She shall be entitled to this fee, as and when he/ she attends these meetings.
- 5.3. Further, He/ She may also be paid remuneration by way of commission as may be approved by the Board and the Shareholders from time to time.

6. Reimbursement of Expenses

In addition to the remuneration described in paragraph 5.2, the Company will, for the period of the appointment, reimburse the Independent Director for travel, hotel and other incidental expenses incurred by him/ her in connection with attending the meetings of the Board and/or Committees thereof.

7. Conflict of Interest

- 7.1. It is accepted and acknowledged that the Independent Director may have business interests other than those of the Company. He/ She is required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of his/ her appointment and in the event of further appointment and relinquishment as Director in other entities.
- 7.2. In the event, the 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 he/ she is independent, such circumstances shall be disclosed to the Board who shall have the authority to take appropriate decision in this regard.

8. Confidentiality

- 8.1. All information acquired during the appointment is confidential to the Company and should not be released, either during the appointment or following termination (by whatever means) to third parties without prior clearance from the Managing Directors, unless required by law or regulatory body. On reasonable request, the Independent Director shall surrender any documents and other materials made available to him/ her by the Company.
- 8.2. The attention of the Independent Director 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 upon getting itself listed. Consequently, he/ she should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Compliance Officer or other authorised officer in this regard.

9. Familiarization Program

Immediately after the appointment, a familiarization program shall be undertaken for the Independent Director to enable him/ her 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. The Independent Director shall avail these opportunities as fully as is appropriate to his/ her 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 the appointment.

12. Independent Professional Advice

There may be occasions when the Independent Director considers that he / she needs professional advice in furtherance of his/ her duties as a Director. He/ She 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 his/ her interests appropriately. A general notice that he/ she is interested in any contracts with a particular person, firm or company is acceptable.

14. Governing Law

This agreement is governed by and will be interpreted in accordance with Indian law and his/ her engagement shall be subject to the jurisdiction of the Indian courts.

Annexure-I

Duties of Directors

- I. The Independent Director shall act in accordance with the Company's Articles of Association.
- II. He/ She 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. He/ She shall discharge his/ her duties with due and reasonable care, skill and diligence.
- IV. He/ She shall not involve himself/ herself in a situation in which he/ she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- V. He/ She shall not achieve or attempt to achieve any undue gain or advantage either to himself/ herself or to his/ her relatives, partners or associates.
- VI. He/ She shall not assign his/ her 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.