



**Terms and Conditions of appointment as Independent Director of Vivriti Capital 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**

Independent Director will serve on the Board for a period of 5 years from the date of appointment letter. His/her appointment is subject to applicable law (including the Companies Act, 2013 and any rules made thereunder), the memorandum and articles of association of the Company, and the policies of the Company which will be notified to Director.

**2. INTRODUCTION AND TRAINING**

To familiarise Independent Director with the Company's business model, strategy, operations, organisational structure, and the products and services offered by the Company, an orientation program shall be organized in consultation with the Director.

**3. COMMITTEES**

The Board may invite Independent Director to serve on one or more committees of the Board. Upon his/her appointment to any committee, he/she shall be briefed about the constitution, functions, scope, and the role of the committee.

**4. TIME COMMITMENT**

4.1. The person who is appointed as an Independent Director is expected to attend the Board meetings, the meetings of the committees of the Board to which Independent Director may be appointed, and the shareholders' meetings, and to devote such time to his/her duties, as appropriate to discharge such duties effectively. By accepting this appointment, the Director confirm that he/she is able to allocate sufficient time to meet the expectations from Independent Director role as set out in the appointment letter.

4.2. The schedule of the Board meetings, the meetings of the committees of the Board, and the shareholders' meetings, shall be finalised in discussions with the Board and the management of the Company, and on finalisation, shall be communicated to Independent Director.

**5. PROFESSIONAL CONDUCT**

During the his/ her tenure as an Independent Director, he/she shall:

- (a) uphold ethical standards of integrity and probity;

- (b) act objectively and constructively while performing his/her duties;
- (c) devote sufficient time and attention to his/her professional obligations for informed and balanced decision making;
- (d) refrain from any action that would lead to loss of the Director's independence;
- (e) where circumstances arise which may result in a conflict with Independent Director role, he/she must immediately inform the Board accordingly;
- (f) assist the Company in implementing the best corporate governance practices;
- (g) Independent Director should not involve in a situation in which may direct or indirectly conflict with his/her role as an independent director;
- (h) not achieve or attempt to achieve any undue gain or advantage either to himself/herself or to his/her relatives, partners or associates;
- (i) not unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board.
- (j) not assign his/her office as Director and any assignments so made shall be void;
- (k) Shall discharge his/her duties with due and reasonable care, skill and diligence;

## 6. FIDUCIARY AND OTHER DUTIES

### 6.1. Role and Responsibilities

In the course of performance of Independent Director's duties, he/she must act in accordance with the articles of association of the Company and applicable law. Independent Director must perform his/her duties with due and reasonable care, skill, diligence and independent judgment. Independent Director roles and responsibilities include:

- (a) **Strategy:** Independent Director should constructively contribute to help develop proposals on the Company's strategy.
- (b) **Performance:** Independent Director should aim to bring an objective view in the evaluation of the performance of Board and management and should scrutinise the performance of management in meeting agreed goals and objectives.
- (c) **Risk:** Independent Director should satisfy himself/herself on the integrity of financial information and that financial controls and systems of risk management are robust and defensible.
- (d) **People:** Independent Director is responsible for determining appropriate levels of remuneration of the executive directors, key managerial personnel and senior management and have a prime role in appointing, and where necessary, recommending the removal of the executive directors, key managerial personnel and senior management.

- (e) **Stakeholders:** Independent Director should safeguard the interests of all stakeholders, particularly the minority shareholders, and should balance the conflicting interests of the stakeholders.
- (f) **Reporting:** Independent Director should take responsibility for the processes for accurately reporting on performance and the financial position of the Company.
- (g) **Compliance:** Independent Director should keep governance and compliance with the applicable law under review.

## 6.2. Others

In the performance of role as an Independent Director, he/she must:

- (a) seek appropriate clarifications for any information provided, and, where necessary, take and follow appropriate professional advice and opinion of independent external experts;
- (b) participate constructively and actively in the committees of the Board of which Independent Director is a member;
- (c) ensure that any concerns about the running of the company or a proposed action that Independent Director may have are addressed by the Company;
- (d) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- (e) assist, within his/her authority, in protecting the interests of the Company, the shareholders and its employees; and

## 7. REMUNERATION AND REIMBURSEMENT

- 7.1. Independent Director will be paid sitting fees for attending the meetings of the Board and its committees as may be decided by the Board (in accordance with applicable law).
- 7.2. In addition to above, profit related commission may also be payable to Independent Director, as decided by the Nomination and Remuneration Committee, from time to time.
- 7.3. The Company will, for the period of his/her appointment, will pay or reimburse the Director for travel, hotel and other incidental or out-of-pocket expenses incurred by the Director in the performance of his/her duties.
- 7.4. Independent Director will have no entitlement to any bonus during the appointment and no entitlement to participate in any employee stock option scheme operated by the Company or any Group Company.

## 8. DIRECTORS AND OFFICERS INSURANCE

The Company is in the process of taking a Director's and Officers Liability Insurance Policy. Independent Director would be covered under this policy. A copy of the same policy will be sent to the Director as soon as availed.

## **9. TERM, RESIGNATION AND REMOVAL**

- 9.1. Subject to applicable law, Independent Director is eligible to serve as an Independent Director for a period 5 [Five] Years from the date of his/her appointment letter.
- 9.2. Subject to applicable law and the articles of association of the Company, Independent Director may resign from his/her directorship by giving a reasonable written notice, and not less than 3 months, to the Company.
- 9.3. In compliance with the provisions of Section 149(13) of the Companies Act, 2013, his/her directorship is not subject to retirement by rotation.
- 9.4. Notwithstanding other provisions of the appointment letter, the appointment may be terminated in accordance with the provision of the Articles of Association of the Company or any failure to meet the parameters of independence as defined in Section 149(6) or on occurrence of any event as defined in Section 167 of the Companies Act, 2013.
- 9.5. Upon termination or upon his/her resignation or any other reason, duly intimated to the Company, Independent Director will not be entitled to any compensation for loss of office.
- 9.6. Reappointment at the end of the term shall be based on the recommendation by Nomination/Remuneration and subject to the approval of the Board and the shareholders in accordance with the provisions of the Companies Act, 2013 and the Articles of association of the Company, from time to time in force. Reappointment would be considered by the Board based on the outcome of the performance evaluation process and the Director continuing to meet the independence criteria.

## **10. CONFLICT**

As a condition to appointment, they are required to declare any directorships, appointments and interests other than those of the Company to the Board in writing at the time of appointment. Any interest that the Director may have in any transaction or arrangement of the Company should be disclosed not later than the day on which such transaction or arrangement comes up at the Board meeting or the meeting of any committee that Independent Director is part of.

In the event that 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 judgement about the independence of the Director, this should be disclosed to the Board and the Company Secretary.

## **11. CONFIDENTIALITY**

- 11.1. All information acquired by Independent Director during their appointment as the Independent Director is confidential and should not be disclosed, either during appointment or following termination/retirement, to any third party without the prior consent of the Board, unless required by law.
- 11.2. Independent Director shall, on demand, surrender any documents or materials made available to him/her by the Company.

11.3. Independent Director shall also observe all confidentiality obligations, with respect to any information of the Company, imposed on him/her under applicable law.

**12. CODE OF CONDUCT AND ETHICS**

The Director shall, during his/her tenure as the Independent Director, abide by the 'Code for Independent Directors' as outlined in Schedule IV to Section 149 of the Companies Act, 2013 and all other applicable law, the code of conduct and the code of ethics adopted by the Board and such other the policies of the Company which will be notified to Independent Director.

**13. CHANGE OF PERSONAL DETAILS**

During the term, Independent Director shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

**14. PUBLICATION OF THE TERMS AND CONDITIONS OF THE APPOINTMENT**

In line with the provisions of Clause IV sub clause 6 of Schedule IV to Section 149 under Companies Act, 2013, the Company will make public the terms and conditions of appointment of Independent Director by displaying it on the Company's website.

**15. INDEPENDENT DIRECTORS' SEPARATE MEETINGS**

In line with the provisions of Clause VII of Schedule IV to Section 149 under Companies Act, 2013, the Independent Directors shall hold at-least one meeting in a Financial Year, without the attendance of non-independent directors and members of management.

The performance of non-independent directors and the Board as a whole shall be reviewed in such meetings.

**16. PERFORMANCE APPRAISAL / EVALUATION PROCESS**

As a member of the Board, Independent Director performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the other directors. The evaluation process shall remain confidential and be a constructive mechanism to improve the effectiveness of the Board/Committee. An indicative list of factors that may be evaluated as part of this exercise is:

- Participation and contribution by a director,
- Commitment (including guidance provided to senior management outside of Board/Committee meetings),
- Effective deployment of knowledge and expertise,
- Effective management of relationship with stakeholders,
- Integrity and maintenance of confidentiality,

➤ Independence of behaviour and judgement and impact of influence

17. **GOVERNING LAW**

This letter is governed in accordance with the laws of India and the terms of engagement with the Independent Director shall be subject to the exclusive jurisdiction of courts and tribunals at Chennai, India.