

<Date>

To

<Name of Director>

<Address of Director>

Dear Sir/Madam,

**Sub: Letter of Appointment for the post of Non- Executive and Independent Director of Arohan Financial Services Limited (“the Company”)**

We are pleased to inform you that the Shareholders of the Company at its General Meeting held on \_\_\_\_\_ have passed a resolution for your appointment as a Non-Executive and Independent Director of the Company pursuant to the provisions stated under the Companies Act, 2013.

As per the requirements of the Act, the above is being formalized through this letter of appointment. This letter sets out the terms of your appointment as a Non-Executive and Independent Director. Your relationship with the Company will be that of an officer-holder and not one of contract for employment in the Company.

The terms of your appointment, as set out in this letter, are subject to the extent provisions of the:

- (i) Applicable Laws, including the Act and SEBI (LODR) Regulations, as amended from time to time (Listing Agreement) and;
- (ii) Articles of Association of the Company.

**1. Appointment and term thereof**

(a) Your appointment as a Non-Executive and Independent Director on the Board of Directors of Arohan Financial Services Limited will be for a term up to \_\_\_\_\_ years and shall take effect from \_\_\_\_\_ unless ended earlier or extended, as per the provisions of this letter or applicable laws. The word “term” should be construed as defined under the Act and the SEBI (LODR) Regulations.

(b) As an Independent Director, you will not be liable to retire by rotation.

(c) The Company has adopted the provisions with respect to appointment and term of Independent Directors, which is in consistence with the Act and the SEBI (LODR) Regulations.

(d) Your appointment for the second term are based on recommendation of the Nomination & Remuneration Committee and approval of the Board and the shareholders. Your appointment is considered by the Board, based on the outcome of the performance evaluation process and your continuing to meet independence criteria.

## **2. Board Committee**

(a) 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) will be subject to the applicable regulations.

(b) You are expected to attend Board, Board Committees, to which you may be appointed and shareholders meeting and to devote such time to your duties as deemed appropriate for discharge of your duties effectively.

(c) Ordinarily all meetings are held in Kolkata, unless determined otherwise.

(d) Recommendations/Minutes of the Meetings of the Committees are submitted to the Board for approval.

(e) 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. Your Duties and Responsibilities**

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the listing agreement. There are certain duties prescribed for all directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

(a) You shall act in accordance with the Company's Articles of Association.

(b) You shall act in good faith in order to promote the objects of the Company for the benefits of its members as a whole, and in the best interest of the Company.

(c) You shall discharge your duties with due and reasonable care, skill and diligence.

(d) You shall not involve yourself in a situation in which you may have a direct and indirect interest that conflicts, or possibly may conflict, with the interest of the Company.

(e) You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.

(f) You shall not assign your office as Director and any assignments so made shall be void.

#### **4. Additional Applicable Statutory Requirements**

As a Non-Executive Director on the Board, you will be subject to all relevant provisions of the Act and the Listing.

#### **5. Directors and Officers (D&O) Insurance**

Presently, the company has D & O liability insurance policy, the copy of the same will be supplied to you on request.

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

You will follow the code of conduct of the Company and furnish Annual affirmations of the same. You will apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the tenure as Independent Director or at any time after its cessation) any confidential information concerning the company including any subsidiary or associate thereof with which you come into contact with virtue of your position as a director, except as permitted by law or with prior clearance from of the Board.

We should also like to draw your attention to the applicability of SEBI (Prohibition of Insider Trading) Regulation, 2015 (as enclosed), which inter alia prohibits disclosure or use of unpublished price sensitive information. You should make any statement(s) that might risk the breach of requirements specified under the said statute unless the same is required under any law or the same is required for the purpose of compliance of any direction, order, etc. issued/ given by any judicial authority. Additionally, you shall not participate in any business activity which might impede the application of your independent judgment in the best interest of the Company.

#### **7. Induction and Development**

The Company shall, if required, conduct formal induction program for its Independent Directors. The Company shall, as may be required, support directors to continually update their skills and knowledge and improve their familiarity with the Company and its business. The Company will fund/arrange for training on all matters which are common to the whole Board.

#### **8. Performance Appraisal/Evaluation process**

As a member of the Board, your performance shall be evaluated annually. Evaluation shall be done by all the other directors. The criteria for evaluation shall be determined by the nomination and remuneration committee and disclosed in the Company's Annual Report. However, the actual evaluation process shall remain

confidential and shall be a constructive mechanism to improve the effectiveness of the Board/Committee.

### **9. Disclosures, other directorship and business interests**

During the term, you agreed 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 agreed 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. Please confirm that as on date of this letter you have no such conflict of interest issues with your existing Directorships, if any.

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

### **10. Fees/Remuneration**

You will be paid such remuneration by way of sitting fees for attending the meetings of the Board and the Committees and other payments as may be decided by the Board from time to time subject to approval of the shareholders, if required under applicable law

The Company shall arrange all yours travel needs pertaining to the Company's meeting and shall 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.

### **11. Cessation**

Your Directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Act, your Directorship may be terminated for violation of any provision of the Code of Conduct of the Company.

You may resign from the Directorship of the Company by giving a notice in writing to the Company stating the reason for resignation. The resignation shall take effect from the date on which the notice is received by the Company of the date if any specified by you in the notice, whichever is later.

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, or if applicable, you fail to meet the criteria for "independence" under the provisions of SEBI (LODR)

Regulations, you agreed to promptly submit your resignation to the Company with effect from the date of such change.

## **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 Indian Courts.

If you are willing to accept these terms of appointment relating to your appointment as a Non-Executive Independent Director of Arohan Financial Services Limited, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

## **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 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.

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

As per SEBI (LODR) Regulations, if applicable, this letter along with your detailed profile shall be disclosed on the website of the Company and the relevant Stock Exchange and places wherever required.

## **14. Acceptance of Appointment**

We are confident that the Board and the Company will benefit immensely from your rich experience and we are eager to have you as an integral part of the growth of our Company. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy this letter.

Yours sincerely,

**For Arohan Financial Services Limited**

**Director**

**AGREE AND ACCEPT**

I have read and understood the Terms of my appointment as a Non- Executive and Independent Director of the Company and I hereby affirm my acceptance to the same.

Place:

Date:

Name of Director

DIN-.....