

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTOR

1. Appointment:

1.1 Your appointment is subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013. As an independent Director, you will not be liable to retire by rotation.

1.2 The term "Independent Director" should be construed as defined under the Companies Act, 2013.

1.3 The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013. Accordingly, the Independent Directors will serve for not more than two terms of five consecutive years each on the Board of the Company. The Company is at liberty to disengage Non-Executive Independent Director earlier subject to compliance with relevant provisions of the Companies Act, 2013.

2. Committees: The Board of Directors (the Board) may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations.

3. Time Commitment:

3.1 As a Non-Executive 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. You will be expected to attend Board, Board Committees 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 in Chennai or Bangalore.

3.2 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.

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Phone : 044-28884204-09 / 28884212-215 Customer Care : 90030 33533. Tamil Nadu.
Email : care@govefinance.in, Website : www.govefinance.in

Reg. Office : GOVE Building, 1st floor, Old No. 144, New No. 199, Anna Salai, Chennai – 600 002. Tamilnadu.
CIN No : U65921TN1983PLC010029 / GSTIN (TN) : 33AAACG2117P1ZQ.

4. Role and Duties: Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the Reserve Bank of India. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and inter alia are as under:

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.

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. Please refer to clause 6 for full explanation on conflict of interest.

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 Non-Executive Director has the following key elements:

Strategy: Non-Executive Directors should constructively challenge and help develop proposals on strategy;

Performance: Non-Executive Directors should scrutinise the performance of management in meeting agreed goals and objectives;

Risk: Non-Executive Directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;

People: Non-Executive Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointment and determining terms of appointment of Executive Directors and in succession planning;

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Reporting: Non-Executive Directors take responsibility for the processes for accurately reporting on performance and the financial position of the Company and

Compliance: Non-Executive Directors should keep governance and compliance with the applicable legislation and regulations under review and the conformity of the Company's practices to accepted norms.

There are certain roles, functions and duties prescribed for all Independent Directors, which are listed in the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013. You shall abide by the said 'Code of Conduct for Independent Directors' as amended from time to time to the extent relevant and applicable to your role. The present code is annexed hereto as Annexure A.

5. Status of Appointment & Remuneration:

5.1 You will not be an employee of the Company and this letter shall not constitute a contract of employment. You may be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time.

5.3 Further, the Company may pay or reimburse to you such fair and reasonable expenditure as per Company's policy, as may have been incurred by you while performing your role as an Independent Director of the Company. This could include reimbursement of expenditure incurred by you for attending Board/ Committee meetings, Annual General Meetings, Extraordinary General Meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organised by the Company for Directors) and in obtaining, subject to prior consultation with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.

6. Conflict of Interest:

6.1 It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, 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.

6.2 During your term as Independent Director of the Company, you agree 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 agree that upon becoming

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aware of any potential conflict of interest with your position as Independent Director of the Company, you shall promptly disclose the same to the Managing Director.

6.3 During your term, you agree to promptly provide a declaration under Section 149(7) of the 2013 Act (declaration of Independence), every year and upon any change in circumstances within 20 days which may affect your status as an Independent Director.

7. 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 Managing Director unless required by law or by the rules of any regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

8. Training and familiarisation session:

The Company may provides an orientation program for new independent director of the Board. The program covers an overview of our strategy and operations to familiarize the new inductees about the strategy, operations and functions of our Company. The induction program will provide an opportunity to interact with the senior leadership of the Company and help the inductees understand the Company's strategy, operations, services and product offerings, markets, organization structure, finance, HR, technology, quality, facilities and risk management.

After your appointment, you will be invited to attend ongoing training and familiarisation sessions, including briefings from management. Please avail yourself of these opportunities as fully as is appropriate to your personal circumstances.

9. Changes of personal details:

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

10. Performance Appraisal / Evaluation Process:

The Company evaluates performance of the Board, the Committees of the Board and individual Directors. The Company will carry out an evaluation of the performance of the

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Board as a whole, Board Committees and Directors on an annual basis. Your appointment and re-appointment on the Board shall be subject to the outcome of the yearly evaluation process.

11. Disclosure of Interest:

a. Pursuant to the provisions of Section 184(1) of the Act, you are required to disclose your concern or interest in any company or companies or bodies corporate, firms or other association of individuals which shall include the shareholding, as prescribed under the Rule 9 of the Companies (Meetings of the Board and its Powers) Rules, 2014 (as amended from time to time).

b. The Company has an obligation to include in its Annual Accounts 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 not later than when the transaction or arrangement comes up at a Board meeting so that the same may be recorded in the minutes appropriately and the records of the Company are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

c. Pursuant to the provisions of Section 149(7) of the Act, you are required to give a declaration that you meet the criteria of independence as provided in Section 149(6) of the Act and thereafter, at the first meeting of the Board in every financial year.

12. 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. Continuation of your appointment is contingent on your getting elected/re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. 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 Articles of Association of the Company from time to time in force.

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13. Publication of the letter of appointment:

In line with the provisions of the Companies Act, 2013, the Company may make public a generic copy of this letter on its website and the same shall be open for inspection at the registered office of the Company by any member during normal business hours.

14. Governing Law: This letter 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.

15. 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 of this letter. We thank you for your continued support and commitment to the Company.

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