



Date:

Letter of Appointment

To,

Dear Ma'am,

We are pleased to confirm that the Board of Directors of Purple Finance Limited ('the Company') at their meeting held on _____ has approved your appointment as an Additional Director in the capacity of 'Independent Director' of the Company with effect from _____, subject to the approval of Members at their ensuing Annual General Meeting.

This letter is being issued outlining the terms of your appointment, subject to your acceptance of the same. Your terms of appointment are as under:

1. Terms of Appointment:

Your appointment as an Additional Independent Director has been made in terms of the provisions of Sections 149, 152 and 161 of the Companies Act, 2013 read with the relevant Rules made thereunder ("the Act") and in accordance with the Articles of Association of the Company.

Further, subject to approval of the Shareholders your appointment as an Independent Director of the Company shall be for a period of ___ (_____) years with effect from _____. During your tenure as an Independent Director of the Company, you shall not be liable to retire by rotation.

2. Committees:

The Board of Directors ("the Board") may, if it deems fit, invite you for being appointed on one or more of 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.



3. Time Commitment:

As an Independent Director, you are expected to bring objectivity and independence of your opinions and views to the Board's discussions and to help provide the Board with an 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. Normally, the Board Committees meet as per requirements of the Company and provisions of applicable laws. You are expected to attend meetings of the Board and Board Committees to which you will be appointed as member and to devote your time to discharge your duties effectively. Ordinarily, all meetings are held in Mumbai either physically or through video conference (VC) as permitted under applicable laws.

4. Roles and Duties:

Your roles and duties will be those normally required of an Independent Director under the Act and as mentioned in the Code of Conduct for Independent Directors issued by the Company. There are certain duties prescribed by the Act for all Directors, both Executive and Non-Executive, which are fiduciary in nature and include the following:

- 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 benefit of its members as a whole, and in the best interest of the Company.
- c. You shall guide the Board in monitoring and managing potential conflicts of interest of management, board members and stakeholders, including misuse of corporate assets and abuse in related party transactions.
- d. You shall discharge your duties with due and reasonable care, skill and diligence.
- e. 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.
- f. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.



- g. 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 Independent Director has the following key elements:

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

Performance: Non-Executive Independent Directors in their meeting should scrutinize the performance of management, agreed goals and objectives;

Risk: Non-Executive Independent 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 Independent Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Directors and in succession planning;

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

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

5. **Conflict of Interest:**

In the event that your 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 that you are independent, this should be disclosed to both the Board and the Company Secretary of the Company.

6. **Liabilities:**



Section 149(12) of the Act inter alia states that, a Non-Executive Independent Director shall be held liable, only in respect of such acts of omission or commission by a Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

7. List of actions which should be avoided while functioning as an Independent Director:

- i. allowing any extraneous considerations to influence your exercise of objective independent judgment, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- ii. abuse of your 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;
- iii. unfairly obstructing the functioning of an otherwise proper Board or committees of the Board;
- iv. disclosing 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;
- v. entering into insider trading of securities;
- vi. Placing yourself in a position where you have or may have an actual or potential conflict of interest with the Company, unless the same has been appropriately disclosed to the Company: Should such an occasion arise, you should discuss the matter with the Board or the Company Secretary immediately.
- vii. assigning your office and any assignment so made shall be void;
- viii. holding singly or along with your relatives, shares exceeding 2% or more of the total voting power of the Company.

8. Provision for Directors and Officers Insurance, if any:

The Company has a Directors and Officers Insurance Policy in place, which shall also be extended to you as a Non-Executive Independent Director.



9. Remuneration:

You will not be an employee of the Company and shall only be paid remuneration in the form of sitting fees as is decided and mutually agreed between the Board of Directors and you for attending the Board and Committee meetings thereof. You shall not be entitled to any Stock options.

In addition to the remuneration above, the Company will during the period of your appointment reimburse all such out-of-pocket expenses made by you for attending Board, Committee or General meetings of the Company.

10. Confidentiality:

All information acquired during your appointment is confidential and the same should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Board unless required by law or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

Consequently you should avoid making any statements or performing any transaction that might risk a breach of these requirements without prior clearance from the Board.

11. Evaluation:

The Board/ Nomination and Remuneration Committee of the Board (NRC) shall carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. Your appointment and re-appointment on the Board shall subject to the outcome of the yearly evaluation process.

Your re-appointment or extension of term and your remuneration shall be recommended by the Nomination and Remuneration Committee to the Board, pursuant to a performance evaluation carried out by the Board/ NRC on an annual basis.

12. Disclosure of interest:



The Company must 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 minutes may record your interest appropriately and Company's records are updated. A general notice that you are interested in any contracts with a particular person, firm or Company is acceptable.

13. Termination:

- a) You may resign from your position at any time by serving a reasonable notice in writing as per the provisions of the Act and Articles of Association of the Company.
- b) Continuation of your appointment is in accordance with provisions of the Act and the Articles of Association of the Company.
- c) Your appointment may also be terminated in accordance with the provisions of the Act and the Articles of Association of the Company.

14. Governing Law:

This agreement/ letter of appointment is governed by and will be interpreted in accordance with Indian laws and your engagement shall be subject to the jurisdiction of the Indian courts and the Courts in Mumbai shall have exclusive jurisdiction.

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 returning the enclosed copy of this letter duly signed by you.

Thanking You,

Yours Faithfully,



For Purple Finance Limited

I hereby acknowledge receipt and accept the terms of appointment set out in this letter.

Date: