

GRUH Finance Limited
“GRUH”, Netaji Marg, Mithakhali Six Roads, Ellisbridge, Ahmedabad – 380 006
Tel. Nos.: 079-26421671-74 Fax No.: 079-26560649 Website : www.gruh.com CIN :
L65923GJ1986PLC008809

[●] (Insert Date)

[●] (Insert Name of Director)

[●] (Insert Address)

Dear [●] ,

Sub: Your appointment as an Independent Director of GRUH Finance Limited

Ref: Section 169 of the Companies Act, 2013, Schedule IV, Rules made there under and Clause 49 of the Listing Agreements relating to Corporate Governance.

We are pleased to inform you that the Members of the Company at their [●] Annual General Meeting (AGM) held on [●] have approved your appointment as an Independent Director of the Company, to hold office for 3 consecutive years, for a term up to [●], in terms of the provisions of Section 149 the Companies Act, 2013 and the rules made there under. For certified copy of the said resolution please refer Annexure 'A'.

This letter of appointment setting the terms and conditions thereof including remuneration is being issued to you in terms of Clause IV (4) of Schedule IV to the said Act, detailed as under:

A. Tenure

1. Your appointment as an Independent Director of the Company shall be for a period of [●] consecutive years, for a term from [●] (both days inclusive), unless otherwise terminated or determined earlier due to resignation or retirement or for any other reason at the discretion of either party, subject to intimation in writing.
2. Your appointment is subject to your continued adherence to the criteria prescribed for Independent Directors under the said Act and Clause 49 of the Listing Agreements relating to corporate governance, as amended, from time to time. You shall endeavor to adhere to the said criteria at all times and provide a declaration confirming the same. In case, you are not likely to be in adherence to such criteria, you shall forthwith inform the Chairman of the Board of Directors of the Company.
3. Please note that based on such declaration you will be represented as an Independent Director of the Company in the financial statement, records, disclosures and other documents of the Company, in the manner, as mandated under applicable laws, from time to time.

B. Role

As an independent director your role shall *inter alia* be to:-

1. Help in bringing an independent judgment to bear on Board's deliberation on issues relating to strategy, performance, risk management, resources, key appointments and standards of conduct.
2. Bring an objective view in the evaluation of the performance of board and management.
3. Scrutinize the performance of the management in meeting agreed goals and objectives and monitor the reporting of such performance.
4. Satisfy yourself on the integrity of financial information and that the financial controls and that the systems of risk management are robust and defensible.
5. Safeguard the interests of all stakeholders, particularly the minority shareholders.
6. Balance the conflicting interest of the stakeholders.
7. Determine appropriate levels of remuneration of executive directors, key managerial personnel and undertake a prime role in their appointment and whenever necessary recommend the removal of the executive directors and key managerial personnel.
8. Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between the management and shareholder's interest.
9. Review compliance with applicable laws and the measures taken to prevent instances of material non compliance if any.
10. Ensure that appropriate mechanisms are in place to facilitate accurate reporting of the operations and financial results of the Company.

C. Duties and Liabilities

- I. As a director of the Company, you shall perform the following duties in terms of Section 166 of the said Act, detailed hereinafter, for your reference and compliance.
 1. You shall act in accordance with the Articles of Association of the Company.
 2. 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 interests of the Company, its employees, the shareholders, the community and for the protection of the environment.
 3. You shall discharge your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
 4. You shall not get 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.
 5. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates.
 6. You shall not assign your office as director and any assignment so made shall be void.

- II. As an independent director of the Company, you shall perform the following duties in terms of Part III to Schedule IV to the said Act, detailed hereinafter, for your reference and compliance.
 1. Undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarize with the business of the Company.
 2. Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of experts at the expense of the Company.
 3. Strive to attend all meetings of the Board/ Committees thereof which you are a member.
 4. Participate constructively and actively in all meetings of Board/ Committees thereof, where you are appointed as a member or chairperson.
 5. Strive to attend the general meetings of the Company.
 6. Where you have concerns about the running of the Company or any proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that your concerns are duly recorded in the minutes of the Board/ Committee meetings.
 7. Keep yourself abreast regarding the business of the Company and the external environment in which it operates.
 8. You shall not unfairly obstruct the functioning of an otherwise proper constituted Board/ Committee thereof.
 9. Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure that the same are in the business interest of the Company.
 10. Ascertain and ensure that the Company has an adequate and functional vigil mechanism and the interest of the whistle-blower is not prejudicially affected on account of such use.
 11. Report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
 12. Act within your authority and assist in protecting the legitimate interests of the Company's shareholders and its employees.
 13. Not to disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure has been expressly approved by the Board or is required under any law for the time being in force.
- III. As a director of the Company, you shall endeavor to submit the relevant information/ disclosures, under applicable Corporate and Securities laws, listed hereinafter for your ready reference and compliance.

- (1) You shall disclose the nature of your concern or interest in companies or body corporate, firms or other association of individuals, including shareholding therein, in terms of Section 184 of the Act and Rules made thereunder.
- (2) You shall disclose the details of your shareholding and changes thereof in accordance with the Share Dealing Code of the Company and Insider Trading norms.
- (3) You shall refrain from dealing in securities of the Company whilst in possession of unpublished price sensitive information and during the restricted trading period(s) notified by the Company, from time to time.
- (4) You shall submit the declaration affirming your meeting the criteria for independent directors and your adherence to the Code of Conduct formulated and adopted by the Company, in terms of Clause 49 of the Listing Agreements.
- (5) You shall provide the relevant information that may be required by the Company to comply with the norms in respect of related parties, in terms of Section 188 of the Act and Rules made thereunder.
- (6) You shall strive to attend the separate meetings of the Independent Directors which may be held by the Company atleast once in a year.

D. Board Committees

1. The Board may, if it deems fit, nominate you to be member or chairperson of the Committee of Directors or as a director of any other Group Companies, in terms of applicable corporate and securities laws.
2. Upon your appointment as aforesaid, you shall endeavor to exercise requisite diligence whilst discharging your fiduciary duties *vis a vis* the said terms of reference.
3. You have been currently nominated on the following Committees of the Board whose terms of reference have been provided to you.

[●] (Insert Name of Committees)

E. Time commitment

1. By accepting this appointment, you confirm that you shall allocate sufficient time to carry out the fiduciary obligations towards the Company.
2. As the nature of your role makes it impossible to specify the level of commitment required, you will endeavor to attend all meetings of the Board/ Committees of Directors of which you are a Chairperson/ member and such other meetings as may be convened by the Chairman/ Managing Director of the Company.

F. Performance Evaluation

1. Being an Independent Director, your performance shall be evaluated by the rest of the Board members on an annual basis without your participation and a report shall be prepared which shall be the basis of your re-appointment in the Company.
2. You will participate in reviewing the performance of the Non-Independent Directors and the Board as a whole, performance of the Chairperson and other Independent Directors.

G. Remuneration

1. In accordance with the provisions of Section 197 of the Companies Act, 2013, you shall be paid annual commission based on the performance of the Company as approved by the Board of Directors, within the limits approved by the shareholders. In addition to the same, you shall be paid sitting fees per meeting for attending the meetings of the Board/ Committees thereof.
2. In addition to the remuneration structure described in Clause 12 above, the Company will reimburse you for all reasonable out of pocket expenses necessarily incurred in carrying out your duties towards the Company.
3. As per the provisions of the Companies Act, 2013, you shall not be entitled to any stock option.

H. Conflict of Interest

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.
2. 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 the Chairman of the Company.

I. Independent Professional Advice

There may be occasions when you consider that you need professional advice in furtherance of your duties as a Director and it will be appropriate for you to consult independent advisers at the Company's expense. The Company will reimburse the full cost of expenditure incurred towards the same.

J. Directors and Officers Liability Insurance

The Company has Directors' and Officers' (D and O) liability insurance and it is intended to maintain such cover for the full term of your Appointment. You shall be provided with details of this insurance.

K. Confidentiality

1. You must apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of your tenure as a director of the Company or thereafter) any confidential information concerning the Company and/ or that of its Group Companies which you may possess by virtue of your position as an Independent Director of the, unless

expressly authorized to do so by the Chairman/ Managing Director or if required to do so under any law for the time being in force.

2. Your adhere to the norms relating to non-disclosure as set out in the Share Dealing Code formulated and adopted by the Company in terms of SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended.

*For the purpose of this appointment, **Group Company** shall mean to include the parent Company and its subsidiary (including step-down subsidiaries) and the associate companies of the Company.*

L. General

1. All the terms as mentioned above including your appointment, remuneration, professional conduct, role and functions, duties and evaluation shall be governed by the Companies Act, 2013 and Rules made thereunder and Corporate Governance norms, as amended from time to time.
2. This letter and any non-contractual obligations arising out of or in connection with this letter are governed by and shall be construed in accordance with the laws of India and subject to the exclusive jurisdiction of the Court of competent jurisdiction at Ahmedabad, India.
3. This appointment letter constitutes neither a contract for services nor a service contract. Please confirm your agreement to the above by signing and returning the duplicate of this letter.

Thanking you,

Yours sincerely,

For GRUH Finance Limited

Keki M. Mistry
Chairman

I have read and I agree to the above terms.

[●] (Insert Name of Director)
Designation: Independent Director
DIN : [●] (Insert DIN)
Place: [●] (Insert Place)
Date: [●] (Insert Date)