



M Power Micro Finance Private Limited

Terms and Conditions of Appointment of Independent Director

1. Appointment

The Company has adopted requirements under the Companies Act, 2013, including Rules made there, as modified, amended or substituted from time to time and as may be applicable with respect to appointment and tenure of Independent Directors. An Independent Director shall not be liable to retire by rotation in terms of the provisions of the Companies Act, 2013. An Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. Appointment of Independent Director is subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the listing agreement. Office of Independent Director will get vacated in case you incur any of the disqualifications mentioned in the Companies Act, 2013.

2. Committees:

The Board may invite any of the Independent Director for being appointed on one or more existing Board Committees or any such Committee that will be set up in the future. The appointment on such Committee(s) will be subject to the applicable provisions of the laws / regulations. The Board may reconstitute the composition of any / all Committees, from time to time and any such change shall be promptly communicated to the concerned Independent Director.

3. Roles and Duties:

The roles and duties of Independent Directors will be those as prescribed under the Companies Act, 2013, including Rules and Regulations made there under. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and broadly are as under:

- Director shall act in good faith in order to promote the object of the Company for the benefit of members as a whole and in the best interest of the Company and all stakeholders.
- Director shall discharge their duties with due and reasonable care, skill and diligence.
- Director shall not involve in a situation in which they may have a direct or indirect interests that conflicts, or possibly may conflict, with the interest of the Company.
- Director shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates.
- Director shall not unfairly obstruct the functioning of the Board or any Committee of the Board.
- Director shall act within their authority and assist in protecting the legitimate interest of the Company, its shareholders, its employees and other stake holders.
- Director shall abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013.
- Director shall not disclose any confidential / privileged information of the Bank, unless such disclosure is expressly approved by the Board or required by the Law.



4. Remuneration:

The Independent Directors will be paid such remuneration by way of sitting fees for meetings of the Board and its Committee as may be decided by the Board from time to time in accordance with the limits prescribed under the Companies Act, 2013, and rule made there under and in terms of Articles of Association of the Company.

5. Reimbursement of Expense:

In addition to the remuneration described above, the Bank shall reimburse actual cost incurred for travel, hotel and other incidental expenses incurred by the directors for participation in the Meeting of the Board and Committees thereof in the performance of their role and duties.

6. Insurance:

The Independent Directors will be covered under Director's and Officer's Liability Insurance Policy, whenever availed by the Company.

7. Performance Evaluation:

The performance of all the Directors and the entire Board shall be evaluated annually. Evaluation of Independent Director shall be done by the Board as envisaged in the Schedule IV to the Companies Act, 2013.

8. Disclosures, Conflict of Interest:

The Independent Directors during the tenure of appointment are expected to promptly notify the Company of any change in the other Directorships and also provide such other disclosures and information as may be required under the applicable laws. Upon becoming aware of any potential conflict of interest with the position of Independent Directors of the Company, they should promptly disclose the same to the Chairman / Chairperson and / or the Company Secretary.

9. Confidentiality:

All information acquired during tenure as Independent Director is confidential to the Company and should not be disclosed either during the tenure or following termination (by whatever means) to third parties except as permitted by law.

10. Termination:

An Independent Director may resign from his/her position at any time by serving reasonable written notice to the Board of Directors.

Continuation of his/her appointment is contingent on his/her getting re-elected by 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. He / She shall not be entitled to compensation if the shareholders do not re-elect him / her at any time.



10. General:

The appointment of Independent Directors is governed by and will be interpreted in accordance with Indian Law and subject to the provisions of the Companies Act, 2013 and rules made there under, Listing Agreement etc.

Note: These are the general terms and conditions of appointment of Independent Directors which are subject to modification / amendment.