



## **LETTER OF APPOINTMENT - INDEPENDENT DIRECTOR**

Date:

To  
Mr./Mrs. \_\_\_\_\_

Dear Sir/Madam

On behalf of all the Board Members of <sup>1</sup>TruCap Finance Limited (hereinafter referred to as Company), I would like to express my gratitude to appoint you as an Independent Director on the Board of Directors (hereinafter referred as Board) of the Company with effect from \_\_\_\_\_ for a period of \_\_\_\_\_ years.

This letter of appointment set out the terms and conditions covering your appointment which are as follows:

### **1. Term of Appointment**

The appointment would normally be for a period of \_\_\_\_\_ years from the date of appointment.

### **2. Membership in Board Committees**

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

### **3. Time Commitment**

Independent Director is expected to bring objectivity and independence of view to the Board's discussions and to help 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.

Independent Director will be expected to attend meetings of the Board and Board Committees to which such Independent Director may be appointed as a member and to devote such time to Independent Director's duties, as appropriate for Independent Director to discharge their duties effectively.

### **4. Role and Duties**

The role and duties will be those normally required of an independent director under the Companies

<sup>1</sup> Logo and Name of the Company changed pursuant to Change in name of the Company w.e.f. August 03, 2022.

Act, 2013 and the provisions as specified in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended and other applicable laws and regulations. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- a. Independent Director shall act in accordance with the Company's Articles of Association, Code on Prevention of Insider Trading and Disclosure Policy, Code of Conduct for Board and Senior Management and other policies (as applicable to the Directors) of the Company.
- b. Independent Director 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. Independent Director shall discharge duties with due and reasonable care, skill and diligence.
- d. Independent Director shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- e. Independent Director shall not make or attempt to make any undue gain or advantage either to himself or to his relatives, partners or associates.
- f. Independent Director shall not assign his office as Director and any assignments so made shall be void.

#### **5. Sitting Fees / Commission**

Independent Director will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board, from time to time. Further, Independent Director will also be paid remuneration by way of commission as may be approved by the Board and the Shareholders, from time to time.

#### **6. Reimbursement of Expenses**

In addition to the remuneration described in paragraph 5, the Company will, for the period of appointment, reimburse for travel, hotel and other incidental expenses incurred by Independent Director in the performance of Independent Director's role and duties.

#### **7. Conflict of Interest**

As a condition to Independent Director's appointment commencing, Independent Director is required to declare any such directorships, appointments and interests to the Board in writing in the prescribed

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form. It is expected that Independent Director will not associate with any person who is competing with the Company.

In the event that 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 Independent Director is independent, this should be disclosed to the Company and the Board.

## **8. 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 Chairman 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. Your attention is also drawn to the requirements under the to be applicable regulations and the Code of annexed herewith which concerns the disclosure of price sensitive information and dealing in the securities of the Company going forward.

## **9. Induction**

Immediately after Independent Director's appointment, Independent Director will be invited to attend an initial induction session and, thereafter, ongoing familiarisation sessions, including briefings from management and site visits.

## **10. Evaluation**

In compliance with the provisions of the Companies Act, the Company has a policy on Board Evaluation. The policy would provide for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. As per the Policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis.

## **11. Insurance**

The Company has Directors' and Officers' liability insurance and it is intended that the Company will assume and maintain such cover for the full term of the appointment.

## **12. Disclosure of Interest**

The Company is required to include in its Annual Accounts a note of any material interest that a Director

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may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record his interest appropriately and the Company's records are updated. A general notice that ID is interested in any contracts with a particular person, firm or company is acceptable.

**13. Termination**

Independent Director may resign from his/her position at any time and should Independent Director wish to do so, Independent Director is requested to serve a reasonable written notice on the Board.

Continuation of Independent Director's appointment is contingent on getting re-elected by the Members in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. Independent Director will not be entitled to compensation, if the Members do not re-elect Independent Director at any time.

Appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

Yours sincerely  
**For TruCap Finance Limited**

\_\_\_\_\_  
**Director**  
**Encl: Code of Conduct**

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

Signed .....

Dated .....

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<sup>1</sup>TRUCAP FINANCE LIMITED

## CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGERS

### **Introduction**

This Code of Conduct (hereinafter referred to as "the Code") has been framed and adopted by <sup>1</sup>TruCap Finance Limited (hereinafter referred to as "the Company") in compliance with the provisions of Regulation 17(5) of the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended.

### **Applicability**

The Code shall apply to the Members of Board of Directors (hereinafter referred to as "Board Members") and Members of the Senior Management Team (Senior Managers) of the Company which include inter alia the functional heads of the Company excluding Board of Directors.

The Company Secretary shall be the Compliance Officer for the purpose of this Code.

The Code shall come into force with immediate effect and future amendments / modifications shall take effect from the date stated therein.

The Code shall be posted on the website of the Company.

### **Code of conduct**

The Board Members and Senior Managers shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgment.

The Board Members and the Senior Managers of the Company:

- 1 Shall maintain and help the Company in maintaining highest degree of Corporate Governance practices.
- 2 Shall act in utmost good faith and exercise due care, diligence and integrity in performing their office duties.
- 3 Shall ensure that they use the Company's assets, properties and services, information and intellectual rights for official purpose only or as per the terms of their appointment.
- 4 Shall not seek, accept or receive, directly or indirectly any gift, payments or favour in whatsoever form from Company's business associates, which can be perceived as being given to gain favour or dealing with the Company and shall ensure that the Company's interests are never compromised.

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- 5 Shall maintain confidentiality of information entrusted by the Company or acquired during performance of their duties and shall not use it for personal gain or advantage.
- 6 Shall not commit any offences involving moral turpitude or any act contrary to law or opposed to the public policy.
- 7 Shall not communicate with any member of press or publicity media or any other outside agency on matters concerning the Company, except through the designated spokespersons or authorised otherwise.
- 8 Shall not, without the prior approval of the Board or Senior Management, as the case may be, accept employment or a position of responsibility with any other organization for remuneration or otherwise that are prejudicial to the interests of the Company and shall not allow personal interest to conflict with the interest of the Company. In case of Directors such prior approval must be obtained from the Board of Directors of the Company and in case of Senior managers from the Managing Director.
- 9 Shall in conformity with applicable legal provisions disclose personal and/ or financial interest in any business dealings concerning the Company and shall declare information about their relatives (spouse, dependent children and dependent parents) including transactions, if any, entered into with them.
- 10 Shall disclose the relationship (whether personal or commercial) existing with other Directors, employees, officers, vendors, suppliers, and members / borrowers and / or any transactions emanating there from with or on behalf of the Company or any of its affiliates should be disclosed to the Company and should be at arms length and at fair market prices. All transactions involving Board Members or Senior Managers of the Company will require the prior approval of the Board of Directors prior to consummation.
11. Shall ensure compliance of the other applicable codes, laws, rules, regulations and statutes, which if not complied with may, otherwise, disqualify him/ her from his/ her association with the Company.

#### **Code of Conduct for Independent Directors**

1. In addition to the aforesaid provision of the Code, Independent Directors of the Company shall comply with Code for Independent Directors as set out in the Schedule IV of the Companies Act, 2013 and attached hereto and marked as Annexure - A.
2. In case of any inconsistency in the terms of Code and Annexure - A, the provisions of the contained in Annexure - A shall prevail.

#### **Acknowledgement of receipt of the code**

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Each Board Members and Senior Managers both present and future shall acknowledge receipt of the Code or any modification(s) thereto, and forward the same to the Compliance Officer.

Any breach of the aforesaid Code brought to the notice of the Compliance Officer or any member of the Board or Senior Management shall be reported to the Board of Directors of the Company for necessary action.

### **Annual compliance reporting**

Board Member and Senior Managers shall affirm compliance with this Code on an annual basis as at the end of each financial year of the Company within 7 days of the close of every financial year.

I **do not** have a Conflict of Interest.

I have received and read the Code of Conduct and affirm the compliance of the same.

SIGNATURE \_\_\_\_\_

NAME:

DESIGNATION:

DATE:



## Annexure A

### CODE OF CONDUCT FOR INDEPENDENT DIRECTORS

[Pursuant to section 149(8) of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013]

The Board of Directors (“the Board”) of <sup>1</sup>TruCap Finance Limited (“the Company”) has adopted the following Code of Conduct (“the Code”) as a guide to professional conduct for its independent directors. The Board believes that adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

#### I. Guidelines for Professional conduct

##### An Independent Director shall:

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising his / her duties;
3. exercise his / her responsibilities in a bona fide manner in the interest of the Company;
4. devote sufficient time and attention towards his / her professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate his / her exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
6. not abuse his / her 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;
7. refrain from any action that would lead to loss of his / her independence;
8. where circumstances arise which make an independent Director lose his independence, the independent Director must immediately inform the Board accordingly;
9. assist the Company in implementing the best corporate governance practices.

#### II. Role and functions

The Independent Directors shall:

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1. help in bringing an independent judgment to bear on the Board's deliberations especially on issues of 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. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
4. satisfy themselves on the integrity of financial information and that financial controls and 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 senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management.
8. moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

### III. Duties

#### **The Independent Directors shall:**

1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company.
2. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company.
3. strive to attend all meetings of the Board and of the Board committees of which they are a member.
4. participate constructively and actively in the committees of the Board in which they are chairperson or member.
5. strive to attend the general meetings of the Company.

6. where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting.
7. keep themselves well informed about the Company and the external environment in which it operates.
8. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board.
9. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company.
10. ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are 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. acting within his / her authority, assist in protecting the legitimate interests of the Company, shareholders and its employees.
13. not disclose 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.

#### **IV. Manner of appointment**

1. Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
2. The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
3. The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder and that the proposed director is independent of the management.

4. The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
  - a) the term of appointment;
  - b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - d) provision for Directors and Officers (D and O) insurance, if any;
  - e) the Code of Business Ethics that the company expects its directors and employees to follow;
  - f) the list of actions that a director should not do while functioning as such in the company; and
  - g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
5. The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
6. The terms and conditions of appointment of independent directors shall also be posted on the company's website.

## **V. Re-appointment**

The re-appointment of independent director shall be on the basis of report of performance evaluation.

## **VI. Resignation or removal**

1. The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Companies Act, 2013.
2. An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.

3. Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

#### **VII. Separate meetings:**

1. The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
2. All the independent directors of the company shall strive to be present at such meeting;
3. The meeting shall:
  - a) review the performance of non-independent directors and the Board as a whole;
  - b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
  - c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **VIII. Evaluation mechanism:**

1. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
2. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.