

Terms and Conditions of Appointment of Independent Directors

Date :

Mr./Mrs.

R/o.....

Dear Sir,

On behalf of the Board of Paisalo Digital Limited ('the Company' or 'PDL'), I am pleased to inform you that with effect from, the Board of Directors of the Company has approved your appointment as Non-executive Independent Director of the Company. This letter sets out the terms of your appointment.

1. APPOINTMENT AND TERM OF OFFICE

In accordance with the provisions of Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulation, 2015 (Listing Regulations) and applicable provisions of Non-Banking Financial Companies under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 (including any modification or re-enactment thereof), you have been appointed as Non-Executive Independent Director on the Board of the Company w. e. f. You will serve as an Independent Director of the Board subject to approval of the Shareholders and your appointment shall be for the period of Five Years. As per relevant provisions of Companies Act, 2013 and Listing Regulations, you shall not be liable to retire by rotation.

Your appointment is subject to the provisions of Companies Act, 2013, Listing Regulations and RBI guidelines regarding appointment, fees, expenses, retirement, disqualification and removal of directors. You may cease to hold office as a Director:

- At any time that you resign by written notice. It is desirable that you give the Chairman/Board reasonable forewarning of your intention to resign or to not seek re-appointment where that is possible so that PDL can plan for succession of skills and experience on the Board; and you may be required to vacate office for any reason pursuant to any of the provisions of the Companies Act, 2013; or
- You may be removed as a director or otherwise required to vacate office under any applicable law and under the Article of Association of the Company.

Your performance as an Independent Director will be reviewed during your tenure with the Company in accordance with processes agreed by the Board from time to time. You agree to participate in such reviews.

2. COMMITMENTS

You as an Independent Director will be expected to devote such time as necessary for the proper performance of your duties and you will be involved in a number of Board and Committee meetings each year. You should strive to attend all the scheduled quarterly Board Meetings; General Meetings; Committees Meetings and other meetings or attendance as necessary.

As an independent director you should strive to hold and present in at least one meeting in a year without the presence of non-independent directors and members of management with the sole objective of:

- i) review the performance of non-independent directors and the Board as a whole;
- ii) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors,
- iii) 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.

By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet the expectations of your role.

3. FUNCTIONS, RESPONSIBILITIES AND DUTIES

You will be expected to perform your duties, whether statutory, fiduciary or common law, faithfully, efficiently and diligently to a standard commensurate with both the functions of your role and your knowledge, skills and experience. You will have all the usual duties of an Independent Director under the Companies Act, 2013 and Listing Regulations, including attendance at Board Meetings, the Annual General Meetings, Meetings of Independent Directors, Meetings with investors and shareholders and other Board events, together with such additional duties as may be agreed with the Board, and which may relate to the business of the Company. You will be required to serve on such committees as the Board may request, including but not limited to Audit, and/or Nomination and remuneration and/or Stakeholders Relationship and/or sub-committees of Board of Directors.

As a Director of Company, you will have legal duties and obligations as prescribed under the Companies Act, 2013 and it is expected that you will familiarize yourself with the relevant duties, role and responsibilities of Independent Director.

4. LIABILITY

As an Independent Director you will be liable only in respect of such acts of omission or commission by a Company which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you had not acted diligently.

5. TECHNOLOGY

Being a Director, you may make use of video, telephone, electronic mail, any other technology which permits each Director to communicate with every other Director, or any combination of these technologies for the purpose of calling and holding Directors' meetings.

You may attend the board or committee meeting through video conferencing or other audio visual means subject to the applicable provisions of the Companies Act, 2013.

6. CONFLICT OF INTEREST

By accepting this appointment, you will be deemed to have confirmed that any other position you hold including your directorships in other organizations, shall not give rise to any conflicts of interest in relation to your appointment as an Independent Director of the Company. Should you become aware of any conflict or potential conflict during your appointment, you are expected to notify the same to the Company Secretary.

As an Independent Director you shall not engage in any activity/ies that is not expected from you as an Independent Director.

7. DISCLOSURES

You shall be required to submit certain information in the prescribed forms/format on a defined periodicity. You are required to disclose to the Company your interests and any matters (excluding those matters which may be subject to legal professional privilege) which affect your independence.

During your tenure as an independent director, you are required to give a declaration that you meet the criteria of independent every financial year as provided under Section 149 of the Companies Act, 2013.

8. FEES

Subject to the applicable provisions of Companies Act, 2013 and Articles of Association of the Company, sitting fee for attending the meetings of Board and Committees shall be paid to non-executive/ independent directors as Board may decide from time to time.

The Company shall reimburse you all travelling, hotel, and other incidental expenses properly and reasonably incurred by you in performance of duties as per provisions of the Companies Act, 2013 in conjunction with the Company rules and policies.

As an Independent Director you shall not be entitled to any stock option and shall not be covered by any pension scheme.

9. REVIEW

The performance of individual Directors, the whole Board and its committees is evaluated annually. If, in the interim, there are any matters which cause you concern about your role you should discuss them with the Managing Director or the other Independent Directors as soon as you can.

10. CODE FOR INDEPENDENT DIRECTORS, CODE OF CONDUCT FOR DIRECTORS AND CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING FOR EMPLOYEES, INCLUDING DIRECTORS

You are required to abide by the Code for Independent Directors, Code of Conduct for Directors and Code of Conduct for Prevention of Insider Trading for Employees, including Directors, as issued by the Company time to time.

11. INDUCTION & TRAINING

Where possible, Directors will be encouraged to attend special training courses by various professional bodies to ensure that the Directors are refreshed and equipped to perform their role in the highest standards and performance possible. You should feel free to request any further information which you require, at any time.

12. INDEMNITY AND INSURANCE/ PROVISION FOR DIRECTORS AND OFFICERS INSURANCE

The Company shall obtain a Directors' & Officers' liability Insurance Policy for you.

13. CONFIDENTIALITY AND ACCESS TO COMPANY RECORDS

Under Company law, Directors have a right of access to Company's documents and records including financial records. Any confidential information which may come to your knowledge in the performance of your duties as a Director of the Company must not be divulged, except so far as required by law to disclose and may be necessary in connection with the proper performance of your duties to the Company.

14. APPLICABLE LAW

This letter of appointment shall be governed by the laws of India.

It is a pleasure to have you on the Board of Directors of the Company. The Board is confident that your association, expertise and advice will immensely benefit the Company.

Kindly confirm your agreement to the terms set out above by signing the endorsement on the enclosed copy of this.

Yours sincerely

For Paisalo Digital Limited

(Managing Director/Director/ Company secretary)

- Enclosures:** **Annexure: I-** Powers, duties and responsibilities of Independent Director.
- Annexure: II-** Code for Independent Directors.
- Annexure: II-** Company's Code of conduct for prevention of insider trading.

Please return duly signed copy to the Company. In returning this letter duly signed, you agree that the Company may make this letter publicly available.

I have read and agree to the above terms regarding my appointment as an independent non-executive Director.

Signature :

Name :

Date :