

Date: _____

[..... Name.....]

[.....Address.....]

Sub: - Letter of appointment

I am pleased to inform you that your appointment as Non-Executive Independent Director on the Board of Directors of the Company (the Board) for a term of three consecutive years has been approved by the appropriate authority with effect from _____.

The detailed terms of your appointment as an Independent Director are set out in the Annexure to this letter.

Please confirm your agreement to this by signing and returning the enclosed duplicate of this letter.

Yours sincerely,

Managing Director & CEO

(I) Term of appointment

Your appointment as an Independent Director is for a period of three (3) consecutive years, commencing from _____ to _____, is as per the provisions of Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and the Article of Association (AoA) of the Company as amended from time to time.

(II) Board Expectation / Commitments

The commitments that are expected from you as Independent Director in relation to your functions are as follows:

- (1) As an Independent Director, you will be expected to provide your valuable contributions at the Board Meetings in deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) You shall devote sufficient time and attention as is necessary for the proper performance of your duties and attend all the scheduled Board Meetings and General Meetings;
- (3) During your association as a Non-Executive Independent Director with the Company, you may be requested to serve on one or more of the Board's Committees which will be communicated to you through separate letter/e-mail setting out the anticipated time commitment and any specific responsibilities that may be expected from you.
- (4) You shall exercise your responsibilities in a *bona fide* manner in the interest of the company;
- (5) You shall not abuse 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;
- (6) You shall refrain from taking any action that would lead to loss of your independence. However, where circumstances arise which make an independent director lose his independence; the independent director must immediately inform the Board accordingly.
- (7) You shall satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (8) You shall safeguard the interests of all stakeholders, particularly the minority shareholders;
- (9) You shall moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

- (10) You shall bring an objective view in the evaluation of the performance of the Board and Management;
- (11) You shall scrutinize the performance of management in meeting agreed goals and objectives and monitor reporting of performance;
- (12) You shall balance the conflicting interests of stakeholders.
- (13) You shall assist Company in implementing best corporate governance practices;
- (14) You shall participate in matters relating to appointment, removal and remuneration of Executive Directors, KMPs, and persons in Senior Management of the Company.

(III) Duties and Liabilities

You shall be holding this position in fiduciary capacity and undertake duties of Directors as provided in the Act including but not limited to the following:

- (1) undertake appropriate induction and regularly update and refresh your 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) where you 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 your concerns are recorded in the minutes of the Board meeting;
- (4) keep yourself well informed about the company and the external environment in which it operates;
- (5) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (6) 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;
- (7) 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;
- (8) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct;
- (9) acting within your authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

- (10) 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;
- (11) not to involve 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;
- (12) shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates;
- (13) you shall not assign your office and any assignment so made shall be void.

Pursuant to the provisions of the new Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a Non-Executive Independent Director will be liable only in respect of such omission or commission by a company which had occurred with his/her knowledge, attributable through Board processes, and with his/her consent or connivance or where he/she had not acted diligently.

(IV) Directors and Officers (D & O) Liability Insurance

Company has in place Director and Officers (D&O) liability insurance policy.

(V) Code of Conduct

As an Independent Director, you are required to abide by such Code of Conduct as laid down by the Company. Also, you will have to comply with Fit and Proper Criteria Policy of Directors as approved by the Board.

(VI) Confidentiality

As an Independent Director, you must apply the highest standards of confidentiality and must not disclose to any person or company (whether during the course of the Appointment or at any time thereafter), any confidential information concerning the Company and any Group Companies

(VII) Remuneration

As an Independent Director you shall be paid sitting fees for attending the Meetings of the Board and the Committees of which you are member, as the Board may approve from time to time. The expenses shall be reimbursed on the basis of actual expenses incurred for attending Board Meetings/Committee Meetings/General Meetings/for any other purpose relating to Companies Business.

Upon termination or upon resignation for any reason, no fee will be payable in respect of unexpired portion of the term of appointment.

(VIII) Miscellaneous

(1) Termination

Your directorship on the Board of the Company shall terminate or cease in accordance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

You may resign from the directorship of the Company by giving a notice in writing to the Company stating the reason for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any, specified by you in the notice, whichever is later.

I have read and agree to the above terms and conditions regarding my appointment as an Independent Director of SBI Cards and Payment Services Limited.

Signatures: _____
[.....Name.....]

DIN:- _____