

DRAFT LETTER OF APPOINTMENT / RE-APPOINTMENT FOR INDEPENDENT DIRECTOR ALONG WITH MODEL TERMS AND CONDITIONS WITH RESPECT TO THE SAID APPOINTMENT / RE-APPOINTMENT

Date _____

To,
(Name of the Director)
(Address of the Director)

Dear Sir/ Madam,

We are pleased to confirm that pursuant to the recommendations of the Nomination and Remuneration Committee (“NRC”), the Board of Directors of Fino Payments Bank Limited (‘the Bank’) _____ has approved your appointment as an Additional Director in the capacity of ‘Independent Director’ of the Bank with effect from _____.

Your appointment is subject to the following:

1. Appointment

Your appointment as an Additional Director in the capacity of ‘Independent Director’ has been made in terms of the provisions of Sections 149, 152 and 161 of the Companies Act, 2013 read with the relevant Rules made thereunder (“the Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and the applicable provisions of the Banking Regulation Act, 1949, and the rules, guidelines and circulars issued by the Reserve Bank of India in this regard, from time to time.

Further, subject to approval of the Shareholders your appointment as an Independent Director of the Bank shall be for a period of ___ years with effect from _____ up to _____ (both days inclusive). During your tenure as an Independent Director of the Bank, you shall not be liable to retire by rotation.

2. Committees

The Board of Directors (“the Board”) may, if it deems fit, invite you for being appointed on one or more of existing Board Committees or any such Committee that may be set

up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations.

3. Time commitment

- a) As an Additional Director (Independent) you are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Bank's strategy, performance and risk management as well as ensuring high standards of financial probity and corporate governance. The Board meets at least four times in a year. Normally, the Nomination and Remuneration Committee and the Audit Committee meets as per requirements of the Bank and provisions of applicable laws. You are expected to attend meetings of the Board and Board Committees to which you will be appointed as member and to devote your time to discharge your duties effectively. Ordinarily, all meetings are held in Navi Mumbai either physically or through VC as permitted under applicable laws.
- b) By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

4. Code of Conduct and roles and duties

Your roles and duties will be those normally required of a Non-Executive Independent Director under the Act. You will abide by the Bank's Code of Conduct to the extent applicable to Independent Director of the Bank. There are certain duties prescribed by the Act for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- a) you shall act in accordance with the Bank's Code of Conduct and Articles of Association.
- b) you shall act in good faith in order to promote the objects of the Bank for the benefit of its members as a whole, and in the best interest of the Bank.
- c) facilitate the Bank's adherence to high standards of ethics and corporate behaviour.
- d) guide the Board in monitoring and managing potential conflicts of interest of management, board members and stakeholders, including misuse of corporate

assets and abuse in related party transactions.

- e) guide the Board in monitoring the effectiveness of the Bank's governance practices and to recommend changes required, if any.
- f) you shall discharge your duties with due and reasonable care, skill and diligence.
- g) you shall not 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 Bank. Please refer to clause 7 for full explanation on conflict of interest.
- h) you shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- i) you shall not assign your office as Director and any assignments so made shall be void.

In addition to the above requirements applicable to all Directors, the role of the Non-Executive Independent Director has the following key elements:

Strategy: Non-Executive Independent Directors should constructively challenge and help develop proposals on strategy;

Performance: Non-Executive Independent Directors in their meeting should scrutinise the performance of management, agreed goals and objectives;

Risk: Non-Executive Independent Directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;

People: Non-Executive Independent Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning;

Reporting: Non-Executive Independent Directors take responsibility for the processes for accurately reporting on performance and the financial position of the Bank; and

Compliance: Non-Executive Independent Directors should review governance and compliance with the applicable legislation and regulations and the conformity of the Bank practices to accepted norms.

Further, Independent Directors shall also perform the duties as prescribed in Schedule IV of the Companies Act, 2013. Accordingly, the followings are enclosed for your reference and necessary compliance:

- a. Code of Conduct to Regulate, Monitor and Report Trading by Insiders of Fino Payments Bank Limited;
- b. Code of Conduct for members of the Board and Senior Management of Fino Payments Bank Limited; and
- c. Code for Independent Directors as prescribed in Schedule IV to the Companies Act, 2013.

5. Status of appointment and sitting fees

You will not be an employee of the Bank and this letter shall not constitute a contract of employment. You 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.

6. Reimbursement of expenses

In addition to the remuneration described in paragraph 5 above, the Bank will for the period of your appointment, reimburse following expenses incurred by you in the performance of your roles and duties:

- a) Travelling expenses to attend the Board or Committee Meetings or General Meetings of Members, Court Convened Meetings or Meetings with Creditors etc., wherever applicable.
- b) Accommodation in a hotel of high standing for attending the Board and Committee meetings or General Meetings of Members, Court Convened Meetings or Meetings with Creditors etc., as may be necessary.

- c) Out-of-pocket expenses like conveyance, food and incidentals that are incurred for attending the Board and Committee meetings or General Meetings of Members, Court Convened Meetings or Meetings with Creditors etc.

7. Conflict of interest

- a) It is accepted and acknowledged that you may have business interests other than those of the Bank. As a condition to your appointment, 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 and changes subsequently, if any.
- b) 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 both the Board and Company Secretary.

8. Confidentiality

All information acquired during your appointment is confidential and the same should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Board unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Bank.

Consequently you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Board.

9. Induction

You may be invited to attend an initial induction session and thereafter, ongoing training and familiarization sessions, including briefings from management and site visits. Please make available yourself of these opportunities as fully as is appropriate to your personal circumstances.

10. Evaluation

The Board/ Nomination and Remuneration Committee of the Board (NRC) shall carry out an evaluation of the performance of the Board as a whole, Board Committees and

Directors on an annual basis. Your appointment and re- appointment on the Board shall subject to the outcome of the yearly evaluation process.

Your re-appointment or extension of term and your remuneration shall be recommended by the Nomination and Remuneration Committee to the Board, pursuant to a performance evaluation carried out by the Board/ NRC on an annual basis.

The criteria for evaluation shall be determined by the NRC. The process for evaluation shall also be determined by the Nomination and Remuneration Committee which will be intimated to all Directors.

11. Insurance

The Bank has taken Directors and Officers Liability Insurance policy amounting to Rs. 100 crore on March 6, 2022 covering the entire Board of Directors. The Bank will maintain such cover for the full term of your appointment and pay the premium for the same. A copy of the policy will be provided on request.

12. 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 Bank's expense. The Bank will reimburse the full cost of expenditure incurred in accordance with the Bank's policy.

13. Disclosure of interest

The Bank must include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Bank has entered into. Such interest should be disclosed not later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and Bank's records are updated. A general notice that you are interested in any contracts with a particular person, firm or Bank is acceptable.

14. Termination

- a) You may resign from your position at any time by serving a reasonable notice in writing as per the provisions of the Companies Act, 2013, the Banking Regulation Act, 1949 and Articles of Association of the Bank.

- b) Continuation of your appointment is in accordance with provisions of applicable laws and the Articles of Association of the Bank.
- c) Your appointment may also be terminated in accordance with the provisions of the applicable laws and the Articles of Association of the Bank.

15. Governing Law

This agreement/ letter of appointment is governed by and will be interpreted in accordance with Indian laws and your engagement shall be subject to the jurisdiction of the Indian courts and the Courts in Mumbai shall have exclusive jurisdiction.

16. Acceptance of appointment

We are confident that the Board and the Bank will benefit immensely from your rich experience and we are eager to have you as an integral part of the growth of our Bank. If these terms of appointment are acceptable to you, please confirm your acceptance by returning the enclosed copy of this letter duly signed by you.

Thank You,
Yours faithfully,

For Fino Payments Bank Limited

Basavraj Loni
Company Secretary & DVP- Legal

Encl. a/a

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

Signed

Name _____

Independent Director

DIN: _____

Date: _____

Place: _____

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