

Jagsonpal Finance & Leasing Limited

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LETTER OF APPOINTMENT

Date: 20th November, 2024

**To,
Dr. Shailendra Somarouthu
Villa 24, RMZ Sawaan,
Palanahalli Main Road,
Maruthi Nagar, Yelahanka,
Bangalore 560004.**

Dear Sir,

Sub: Your appointment as a Non-Executive Independent Director on the Board of Directors of the Company.

We are pleased to inform you that the Board of Directors at its meeting held on 20th November, 2024 has appointed you as the Non-Executive Independent Director of the Company on the following terms and conditions.

Appointment:

Your appointment is subject to the approval of shareholders at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Your appointment will be for a term commencing from November 20, 2024 to November 19, 2029. As an Independent Director, you are not liable to retire by rotation.

Committees:

The Board of Directors may invite you for being appointed on one or more of the existing Board Committees or any Committee(s) that may be set up in the future. Your appointment on such Committee(s) will be subject to the applicable legal requirements.

Statutory meetings and Sitting Fees:

As per the Company policy, sitting fees for attending meetings of the Board of Directors and its Committees as may be decided by the Board and approved by the

Members, if required, from time to time will be paid by banking channels, which shall be inclusive of conveyance.

In an endeavor to go green, be environmentally conscious, all the documents and information for the meetings of the Board of Directors and its Committees are provided electronically and the meetings are conducted with an option to attend via audio video mean. In case hard copy of any specific document is required, you are requested to inform the Company Secretary for same.

Time Commitment:

As an Independent Director you are expected to bring objectivity and independence to the Board's discussions and help provide the Board with effective guidance in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance. You will be expected to attend the meetings of Board, the Board Committees and the General Meetings and to devote sufficient time, as required for you to discharge your duties effectively.

Fiduciary Duties:

There are certain duties prescribed for all Directors, both Executive and Non-Executive pursuant to Section 166 of the Companies Act, 2013, which are fiduciary in nature and you are expected to follow which inter alia are as under:

- I. A director of the Company shall act in accordance with the Company's Articles of Association.
- II. A director of the Company 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 interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- III. A director of the Company shall exercise her duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- IV. A director of the Company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company.
- V. A director of the Company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company.
- VI. A director of the Company shall not assign his office as Director and any assignments so made shall be void.

There are certain roles, functions duties prescribed for all Independent Directors, which

are listed in the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013. You shall abide by the said 'Code of Conduct for Independent Directors' as amended from time to time to the extent relevant and applicable to your role. The present code is annexed hereto as Annexure A.

Confidentiality:

All information acquired during your tenure of directorship is confidential and should not be disclosed to third parties without prior clearance from the Managing Director, unless required by law or by the rules of any stock exchange or regulatory body. In the latter case, you would be required to suitably inform the Managing Director of such an event or disclosure. You should direct any media queries or approaches to the appropriate spokesperson within the Company. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

Conflict and Disclosure of Interest:

It is accepted and acknowledged that you may have business interests, memberships other than those of the Company. You are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form on immediate basis.

In the event that your circumstances seem likely to change and might give rise to a conflict of interest, when applicable, circumstances that might lead the Board to revise its judgment that you are independent, this should be disclosed to both the Chairperson and the Company Secretary.

It is expected that any interest you may have in any transaction or arrangement that the Company has entered into should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately, our records are updated and the applicable provisions are complied with. You may provide a general notice about your interests in any company/firm/body corporate at the start of every financial year.

Liability:

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

Evaluation:

The Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and the Directors on an annual basis.

Termination:

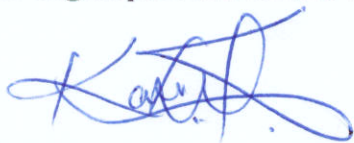
You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice to the Board. Continuation of your appointment is contingent on you getting appointed by the shareholders in accordance with provisions of the Companies Act, 2013 and the Articles of Association of the Company, from time to time in force.

Kindly acknowledge the receipt.

Thanking you,

Yours Faithfully,

For Jagsonpal Finance and Leasing Limited



Mr. Karthik Srinivasan,
Chairman and Managing Director
DIN: 09805485



**Schedule IV of Companies Act, 2013
[See section 149(8)]**

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. 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 of professional conduct:

An independent director shall:

- 1) uphold ethical standards of integrity and probity;
- 2) act objectively and constructively while exercising his duties;
- 3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- 4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 5) not allow any extraneous considerations that will vitiate his 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 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 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:

- 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) scrutinize 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 the 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 of Directors and of the Board committees of which he is a member;
- 4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 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 behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- 9) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 12) 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 fulfills the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- 4) The appointment of independent directors shall be formalized 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 Act.
- 2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months 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 financial 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.