KINETIC TRUST LIMITED

CIN: L67120PB1992PLC012532

REGISTERED OFFICE:
527-R, City Tower, 2nd Floor,
Model Town, Ludhiana, Punjab – 141002.

CORPORATE OFFICE:
1406, 14th Floor, Vikram Tower,
Rajendra Place, New Delhi – 110008.

DRAFT TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS OF KINETIC TRUST LIMITED

Date: [●]

To,
Mr./Ms. [Name of Independent Director]
[Address]

Subject: Terms and Conditions of Appointment as an Independent Director of Kinetic Trust Limited

Dear Sir/Madam,

We are pleased to inform you that the Board of Directors of Kinetic Trust Limited ("the Company"), subject to the requisite approval of the shareholders and compliance with applicable statutory and regulatory requirements, has approved your appointment as a Non-Executive Independent Director of the Company.

Your appointment shall be governed by the Companies Act, 2013, the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), the Articles of Association of the Company and other applicable laws and regulatory directions, including those applicable to the Company in its capacity as a non-banking financial company ("NBFC").

The principal terms and conditions of your appointment are set out below.

1. APPOINTMENT AND TENURE

1.1 You shall be appointed as a Non-Executive Independent Director of the Company for a term of [●] consecutive years commencing from [●] and ending on [●], subject to shareholder approval and applicable law.

1.2 Your appointment shall be subject to the provisions of Section 149 of the Companies Act, 2013, the applicable rules and Regulation 16 and Regulation 25 of the SEBI LODR Regulations.

1.3 Your appointment shall not be subject to retirement by rotation, in accordance with Section 149(13) of the Companies Act, 2013.

1.4 Your appointment shall be effective subject to completion of all applicable legal formalities, including obtaining the necessary shareholder approval and filing the prescribed forms and documents with the Registrar of Companies, wherever required.

1.5 Reappointment, if any, shall be subject to the applicable provisions of the Companies Act, 2013, the SEBI LODR Regulations, performance evaluation and the requisite approval of shareholders. A second term of up to five consecutive years may be granted by passing a special resolution, subject to applicable law.

1.6 You shall not hold office for more than two consecutive terms as an Independent Director. Following two consecutive terms, you shall be eligible for reappointment only after the cooling-off period prescribed under applicable law.

2. DECLARATION OF INDEPENDENCE AND ELIGIBILITY

2.1 You shall satisfy the criteria of independence prescribed under Section 149(6) of the Companies Act, 2013, the applicable rules and Regulation 16(1)(b) of the SEBI LODR Regulations.

2.2 You shall provide the Company with the prescribed consent to act as a Director, declaration of independence, declaration of non-disqualification and such other documents as may be required under applicable law.

2.3 You shall confirm that you are not disqualified from being appointed as a Director under the Companies Act, 2013 or any other applicable law.

2.4 You shall submit a declaration of independence at the first meeting of the Board in which you participate as a Director, at the first Board meeting of every financial year and whenever circumstances arise that may affect your independence, as required under applicable law.

2.5 You shall promptly inform the Board of any change in circumstances that may affect your status as an Independent Director or your ability to discharge your duties.

2.6 You shall comply with the applicable requirements concerning the Independent Directors' Databank and proficiency assessment, including any statutory exemption available to you.

3. ROLE, FUNCTIONS AND RESPONSIBILITIES

You shall discharge your responsibilities in accordance with Section 149(8) read with Schedule IV and Section 166 of the Companies Act, 2013, Regulation 25 of the SEBI LODR Regulations and other applicable laws.

Your responsibilities shall include:

a. Bringing independent and objective judgement to the Board's deliberations on strategy, performance, risk management, resources, key appointments and standards of conduct.

b. Scrutinising management performance in achieving agreed objectives and monitoring the reporting of performance.

c. Satisfying yourself regarding the integrity of financial information and the adequacy of financial controls and risk management systems.

d. Safeguarding the interests of all stakeholders, particularly minority shareholders.

e. Balancing the legitimate interests of the Company, shareholders and other stakeholders.

f. Participating constructively in Board and committee meetings and devoting adequate time and attention to your responsibilities.

g. Seeking appropriate clarification and, where necessary, professional advice to enable informed decision-making.

h. Ensuring that unresolved concerns regarding the affairs of the Company are appropriately raised and recorded in the minutes of Board meetings.

i. Supporting effective corporate governance and compliance with applicable statutory and regulatory requirements.

4. BOARD AND COMMITTEE PARTICIPATION

4.1 You shall endeavour to attend all meetings of the Board and of the committees of which you are a member, subject to reasonable circumstances.

4.2 You shall participate constructively in discussions and exercise independent judgement on matters placed before the Board or its committees.

4.3 You may be appointed to one or more committees of the Board, subject to applicable law and the requirements of the Company.

4.4 Your committee responsibilities, if any, shall be communicated separately or specified in the relevant Board resolution.

4.5 You shall endeavour to attend general meetings of the Company and participate in the annual separate meeting of Independent Directors, as required under applicable law.

5. DUTIES AND FIDUCIARY OBLIGATIONS

You shall:

a. Act in good faith in the best interests of the Company and its stakeholders.

b. Exercise due care, skill, diligence and independent judgement.

c. Avoid actual or potential conflicts between your personal interests and those of the Company.

d. Not achieve or attempt to achieve any undue gain or advantage for yourself, your relatives, partners or associates.

e. Disclose your interests in contracts, arrangements or transactions as required under the Companies Act, 2013 and applicable regulations.

f. Comply with the Company's Code of Conduct for the Board of Directors and Senior Management Personnel and other applicable internal policies.

g. Refrain from misusing your position or information obtained in the course of your duties.

6. REMUNERATION AND REIMBURSEMENT OF EXPENSES

6.1 You shall be entitled to sitting fees for attending meetings of the Board and its committees at such rates as may be determined by the Board in accordance with applicable law.

6.2 You may be paid profit-related commission or other remuneration, if approved by the Company in accordance with Sections 149 and 197 of the Companies Act, 2013, the applicable rules and the SEBI LODR Regulations.

6.3 You shall be reimbursed for reasonable travel, accommodation and other expenses actually incurred in connection with attending Board meetings, committee meetings, general meetings or undertaking authorised business on behalf of the Company, against appropriate supporting documents and in accordance with the Company's procedures.

6.4 You shall not be entitled to stock options in your capacity as an Independent Director, in accordance with Section 149(9) of the Companies Act, 2013.

6.5 The details of sitting fees, commission and reimbursement of expenses applicable to you shall be communicated separately or specified in the relevant Board resolution.

7. DIRECTORS' AND OFFICERS' INSURANCE

The Company may maintain Directors' and Officers' liability insurance, where considered appropriate and subject to applicable law and the terms of the relevant insurance policy.

The availability, scope and limits of any such insurance shall be determined by the Company. Nothing in this letter shall be construed as providing an unconditional guarantee of insurance coverage or immunity from liability.

8. CONFIDENTIALITY

You shall maintain the confidentiality of all non-public information concerning the Company, its business, financial affairs, customers, employees, investors and counterparties obtained during your appointment.

You shall not use or disclose confidential information except where authorised by the Company or required under applicable law.

This obligation shall continue after the cessation of your appointment, subject to applicable law.

9. INSIDER TRADING AND SECURITIES DEALINGS

You shall comply with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, and the Company's applicable code of conduct for prevention of insider trading.

You shall not trade in securities while in possession of unpublished price-sensitive information except as permitted by law, nor communicate such information except for legitimate purposes, performance of duties or discharge of legal obligations.

You shall comply with applicable trading restrictions, pre-clearance requirements, disclosure obligations and other procedures prescribed by the Company.

10. CONFLICTS OF INTEREST

You shall promptly disclose any actual, potential or perceived conflict of interest to the Board or the appropriate committee.

You shall not participate in deliberations or decisions where abstention is required under applicable law or directed by the appropriate authority.

You shall promptly disclose any interest in a transaction or arrangement involving the Company and comply with the requirements of Section 184 of the Companies Act, 2013 and other applicable provisions.

11. INDUCTION, TRAINING AND ACCESS TO INFORMATION

The Company shall provide appropriate induction and familiarisation regarding its business, operations, financial position, governance practices, risk management systems and regulatory environment.

You shall be entitled to seek such information and clarification as may reasonably be necessary for discharging your duties.

Where necessary, you may seek professional advice or opinions from external experts in accordance with applicable law and the Company's procedures.

You shall keep yourself informed about the Company's affairs and the external environment in which it operates.

12. LIABILITY AND PROTECTION

Your duties, responsibilities and liabilities shall be governed by the Companies Act, 2013, including Section 149(12), where applicable, the SEBI LODR Regulations and other relevant laws.

Nothing in this letter shall impose liability beyond that prescribed by applicable law or exclude liability where such exclusion is prohibited.

The Company shall consider any applicable statutory protections and insurance coverage in accordance with law and the terms of the relevant arrangements.

13. PERFORMANCE EVALUATION

Your performance shall be evaluated in accordance with the Companies Act, 2013, Schedule IV and the SEBI LODR Regulations.

The evaluation shall be undertaken by the Board in the manner prescribed by applicable law, excluding you from the evaluation of your own performance.

The outcome of the evaluation may be considered in determining whether to continue or extend your appointment, subject to applicable law and the requisite approvals.

14. RESIGNATION AND CESSATION OF OFFICE

14.1 You may resign from your office by giving written notice to the Company in accordance with Section 168 of the Companies Act, 2013.

14.2 Your office may cease or be terminated in accordance with the Companies Act, 2013, the SEBI LODR Regulations and other applicable laws.

14.3 The Company shall make the necessary statutory filings and disclosures concerning your resignation, removal or cessation within the applicable timelines.

14.4 Upon cessation of office, you shall return the Company's documents, records, property and confidential information in your possession, subject to applicable law.

15. CODE OF CONDUCT AND VIGIL MECHANISM

You shall comply with the Company's Code of Conduct for the Board of Directors and Senior Management Personnel, its Vigil Mechanism / Whistle Blower Policy and other policies applicable to your role.

You shall promptly report suspected fraud, unethical conduct, material irregularities or violations of applicable law through the prescribed reporting channels.

You shall cooperate with lawful investigations and regulatory inquiries concerning the Company.

16. MEETINGS OF INDEPENDENT DIRECTORS

You shall participate in the separate meeting of Independent Directors held at least once during each financial year, without the attendance of non-independent directors and members of management, as prescribed under Schedule IV of the Companies Act, 2013 and Regulation 25 of the SEBI LODR Regulations.

At such meeting, the Independent Directors shall review the performance of non-independent directors and the Board as a whole, review the performance of the Chairperson and assess the quality, quantity and timeliness of information provided by management.

17. GENERAL CONDITIONS

17.1 This appointment shall be subject to the Company's Memorandum and Articles of Association and all applicable statutory and regulatory provisions, as amended from time to time.

17.2 Any matter not expressly addressed in this letter shall be governed by applicable law and the relevant policies of the Company.

17.3 If any provision of this letter is inconsistent with applicable law, the relevant statutory or regulatory provision shall prevail.

17.4 The terms and conditions of appointment shall be open for inspection by members at the registered office of the Company during normal business hours and shall be placed on the Company's website in accordance with Schedule IV of the Companies Act, 2013.

18. ACCEPTANCE

Please confirm your acceptance of the above terms and conditions by signing and returning the enclosed duplicate copy of this letter.

We look forward to your contribution to the Board and to the continued strengthening of the Company's corporate governance practices.

Yours faithfully,

For Kinetic Trust Limited

Name: [●]

Designation: [Chairperson / Authorised Signatory]

Date: [●]

Place: [●]

ACCEPTANCE BY INDEPENDENT DIRECTOR

I, Mr./Ms. [Name], hereby accept my appointment as a Non-Executive Independent Director of Kinetic Trust Limited and agree to comply with the terms and conditions set out in this letter, the applicable laws and the Company's policies.

Signature: _____

Name: _____

Date: _____

Place: _____