

Date: _____

To,
Name : _____
Address : _____

Sub: Appointment as a Non-Executive Independent Director of AGS Transact Technologies Limited (“AGS/Company”)

Dear Sir/Madam,

We are glad to inform you that the Board of Directors and Shareholders of the Company at their respective meetings held on _____ & _____ respectively, have approved your appointment as a Non-Executive Independent Director (“NE-ID”) of the Company for a period of ____ years w.e.f. _____ on the terms and conditions contained herein.

This letter of appointment sets out the terms and conditions covering your appointment which are as follows:

Appointment

1. The appointment shall be in terms of the Companies Act, 2013, and the rules issued there under, as amended and in force at the relevant time (“Act”) and the equity listing agreement if and when entered into by the Company with each of the applicable stock exchanges, as amended and in force at the relevant time (“Listing Agreement”).
2. Subject to the detailed terms of this letter, as an NE-ID you will hold office for a consecutive period of ____ years.
3. Your appointment as an NE-ID on the Board is subject to the provisions of the Articles of Association of the Company (“Articles”), the Act & the Listing regulations, if applicable.
4. During your tenure as an Independent Director, you will have to submit a declaration at the beginning of every Financial Year under Section 149 (7) of the Companies Act, 2013 (“Act”) stating that you meet the criteria of Independence.
5. So long as you are an Independent Director of the Company, the number of companies in which you hold office as a Director or a chairman or committee member will not exceed the limit stipulated under the Act & the Listing regulations, if applicable.
6. So long as you are an Independent Director of the Company, you will ensure that you do not get disqualified to act as a Director pursuant to the provisions of Section 164 of the Act.

7. In compliance with provisions of Section 149(13) of the Act, your directorship is not subject to retirement by rotation.
8. Notwithstanding other provisions of this Letter, the appointment may be terminated in accordance with the provisions of the Articles or on failure to meet the parameters of independence as defined in Section 149(6) of the Act or on the occurrence of any event as defined in Sections 167,168 and 169 of the Act.
9. Upon your resignation or termination for any reason, duly intimidated to/by the Company, you will not be entitled to any compensation for loss of office.
10. By accepting this appointment, you confirm and undertake that as of the date of this Letter, (i) there are no agreements, arrangements, whether documented or otherwise, relating to your appointment as a director in any other company, or otherwise that would affect or limit this appointment, the performance of the duties set out herein, and/or the devotion of time as required by this appointment; and (ii) you will comply with all the terms and conditions of your appointment as set out in this Letter and you are not subject to any obligations or commitments which are inconsistent with the provisions of this Letter or which could be potentially inconsistent with the provisions of this Letter.
11. By accepting this appointment, you further confirm and undertake that as of the date of this Letter, you are in compliance, and throughout the term of your appointment with the Company, you shall be in compliance, with the number of directorships as prescribed by the Act & the Listing regulations, if applicable.

Committees

The Board of Directors may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such committee that is set up in the future. Your appointment on such Committee(s) will be subject to the applicable laws and regulations.

Status of Appointment

12. By virtue of your appointment as NE-ID, you are not an employee of the Company and this Letter does not constitute a contract of employment. This Letter does not also constitute a services contract, a contract for services or a contract of service.

Time commitment

13. As an NE-ID, 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 Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance.
14. You are expected to attend meetings of the Board and meetings of the committee(s) to which you may be appointed, as and when these meetings convened as well as the annual general meeting of the Company each year of your appointment and to devote such time to your duties as appropriate for you to discharge your duties effectively.

15. By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations arising out of your role to the satisfaction of the Board.

Role and Duties

16. Your role and duties will be those as stated in the Schedule IV of the Act as set out at **Annexure-1** hereto.
17. Additionally, the liabilities that accompany such appointment include liability only in respect of acts of commission or omission, committed or omitted to be committed by the Company, as the case may be, which have occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you have not acted diligently.
18. While functioning as an NE-ID of the Company, you are also required to ensure that the following actions are undertaken or permitted to be undertaken by you:
 - (a) Unfair obstruction of the functioning of an otherwise proper Board or committee of the Board;
 - (b) Disclosure of 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; and
 - (c) Any activities or business that is identical or similar to, or that directly or indirectly competes (or is likely to compete) with, the business of the Company, as more particularly set out in paragraph (27) below.

Code of Conduct

19. During the term of your appointment as NE-ID of the Company, you are required to comply with the regulations and provisions contained in the Act, including Schedule IV to the Act as set out at **Annexure-1** hereto & the Listing regulations, if applicable, as well as the code of conduct/ codes and policies of the Company as in force from time to time.

Remuneration

20. You will be paid remuneration by way of (a) sitting fees for attending and participating in meetings of the Board and its committees; and (b) profit related commission, subject to the provisions of section 197 & other applicable provisions of the Act & Rules thereunder.
21. You will be paid a sitting fee of _____ per meeting of the Board and _____ per meeting of a committee thereof.
22. You will also be entitled to profit related commission of _____ subject to the provisions of section 197 & other applicable provisions, if any, of the Act & Rules thereunder.
23. In addition to the remuneration described above, you are entitled to be reimbursed by the Company in relation to expenses incurred by you in the participation in meetings of the Company.

24. You will have no entitlement to any bonus during this appointment and no entitlement to participate in any employee stock option or other scheme operated by the Company and no stock options shall be issued, granted or allocated to you.
25. All payments made by the Company to you shall be subject to the deduction of tax at source for which suitable form evidencing deduction of tax shall be provided by Company in due course. Any taxes due on these payments shall be borne by you.

Insurance

26. The Company has directors' and officers' liability insurance and it is intended that the Company will assume and maintain such cover for the full term of your appointment.

Conflict of Interest

27. During the term of your appointment as NE-ID of the Company, you agree and undertake that you shall not carry on or be engaged, directly or indirectly, either on your own behalf or on behalf of any person, or as manager, agent, consultant or employee of any person, firm or company, in any activity or business, in India or overseas that is identical or similar to, or that directly or indirectly competes (or is likely to compete) with, the business of the Company.

For the purpose of this paragraph (27), a person is concerned in a business if he directly or indirectly carries it on as principal or agent or if:

- (a) He is a partner, director, employee, secondee, consultant or agent in of or to any person who carries on the business; or
 - (b) He has any direct or indirect financial or strategic interest (as shareholder or otherwise) in any person who carries on the business; or
 - (c) He is a partner, director, employee, secondee, consultant, subcontractor or agent in, of or to any person who has a direct or indirect financial interest (as shareholder or otherwise) in any person who carries on the business.
28. Subject to the above, as the Company recognizes that you may have business interests other than those of the Company, you are required to, as a condition precedent to your appointment, declare to the Board in writing any such directorships, appointments and interests at the time of your appointment.
 29. In the event that there is a change or a probable change in the circumstances which might give rise to a conflict or interest or, when applicable, which might lead the Board to revise its judgment on your independence, the same should be dissolved in writing immediately to the Board.
 30. Additionally, any interest that you may have, directly or indirectly, in any transaction or arrangement that the Company has entered into should be disclosed when the transaction or arrangement comes up at a Board meeting such that minutes may record your interest appropriately and the records of the Company are updated. A general notice that you are interested in any contract with a particular person, firm or company, too, is acceptable.

Confidentiality

31. All information, including (i) information concerning the organization, business, intellectual property, technology, patents, copyrights, trade secrets, know-how, or other intellectual property, finance, transactions or affairs of the Company (whether conveyed in written, oral or in any other form and whether such information is furnished before, on or after the date of this Letter); and (ii) any information or materials that contains or otherwise reflects, or is generated from, information contained in paragraph (31)(i) above, (“Confidential Information”) acquired by you is confidential to the Company and should not be, directly or indirectly, released, used, disclosed, published or permit others so to do, either during your appointment or following termination (by whatever means) to any third party without prior clearance from the Board unless required by law or regulatory body.
32. By accepting this Letter, you confirm that all Confidential Information is and must remain the exclusive property of the Company and shall be solely and absolutely vested in and owned by the Company and you shall not have or claim any right, title or interest therein, and in the event that you are considered the owner of any Confidential Information or property of the Company you will take all necessary steps to transfer or assign the same to the Company in perpetuity and on a royalty paid, worldwide basis. Any office equipment (including computers and other storage devices) received from the Company in the course of your appointment with the Company and all business records, business papers, and business documents kept or made, whether on digital media or otherwise, in the course of your appointment by the Company relating to the Company must be and remain the property of the Company.

Publication of this Letter

33. In line with provision of Schedule IV to the Act, the Company will make public the terms and conditions of your appointment as contained in this Letter and will also arrange for the same to be displayed on the website of the Company.

Termination

34. You may resign from your position as NE-ID of the Company at any time and should you wish to do so, you are requested to serve at least 30 (thirty) days’ prior written notice on the Company. In terms of provisions of the Act, you are required to file a copy of your resignation letter with the concerned Registrar of Companies.
35. Your appointment may also be terminated in accordance with the provisions of the Articles, the Act & the Listing regulations, if applicable.

Evaluation

36. The Board (including a relevant committee thereof) will carry out an evaluation of the performance of the Board as a whole, committees of the Board and directors on an annual basis as per the policies of the Company in force from time to time. Your appointment and re-appointment on the Board shall be subject to the outcome of the evaluation process and the extension of your term of re-appointment, if any, shall be based on aforesaid evaluation.

Governing Law and Jurisdiction

37. This Letter and any non-contractual obligations arising out of or in connection with this Letter are governed by, and shall be construed in accordance with, the laws of India, and you agree to submit to the exclusive jurisdiction of the courts of Mumbai.

Please confirm your agreement to the terms and conditions as contained in this Letter by signing and returning a duplicate of this Letter to the undersigned.

Yours faithfully,

For AGS Transact Technologies Limited

Authorised Signatory

Agreed and Accepted

Independent Director

“ANNEXURE 1”

CODE FOR INDEPENDENT DIRECTORS

(As provided in Schedule IV of the Companies Act, 2013)

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) scrutinise 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 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. Strive to attend all meetings of the Board including a Separate meeting of the independent director and of the Board committees of which you are a member.
4. Participate constructively and actively in the committees of the Board in which you are chairman or member.
5. Strive to attend the general meetings of the Company.
6. 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.
7. Keep yourself 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 yourself 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 behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
12. Acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees.
13. 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 formalised 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. 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 a period of not more than one hundred and eighty days 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.

VI. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VII. Separate meetings:

1. The independent directors of the company shall hold at least one meeting in a 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.