

**Dear Shareholders,**

The Company, Federal Bank Limited and True North Fund VI LLP (hereinafter referred as “Investor Shareholder”) were parties to the SHA (Shareholder Agreement) dated May 11, 2018, as supplemented and amended by the deed of adherence dated October 29, 2018 and the SHA Amendment Agreement. The SHA inter alia, recorded the understanding and agreement amongst the Promoter, the Investor Shareholder and the Company regarding their respective rights and obligations, including inter-se as Shareholders. The Promoter and the Investor Shareholder were granted certain rights in respect of the management and affairs of our Company under the SHA.

Pursuant to the SHA Amendment Agreements, the SHA has been automatically terminated upon the filing of the red herring prospectus by the Company except for the Survival clauses which were to be re-instated through a ratification by Shareholders of the Company at the first General meeting following the consummation of the Public Offer. These survival clauses are to continue till such time True North Fund VI LLP holds the subscription shares in the Company in terms of the SHA.

**Following are the relevant clauses surviving upon the termination of Amended Shareholders’ Agreement dated 19<sup>th</sup> July, 2023 #**

**Clause 3.2 -**

**Clause 3.2 (Board of Directors – Size and Composition of the Board and Appointment of Directors)** of the SHA is hereby amended and substituted in its entirety with the following clause:

- (a) The Board shall consist of not less than 3 Directors and not more than 9 Directors.
- (b) The Directors shall not be required to hold any qualification Shares.
- (c) **Prior to consummation of the IPO, the Board composition shall be in accordance with Regulation 17, to the extent applicable, and such other relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and the Companies Act, 2013, as applicable to a company which has its equity shares listed on a recognised stock exchange in India, and subject to such conditions and applicable law, shall comprise of:**
  - (i) 2 Directors nominated by the Promoter (Promoter Directors), who shall be non-retiring, non-executive Directors and shall not be involved in the day-to-day management and operations of the Company;
  - (ii) 1 Director nominated by the Investor (Investor Director), who shall be a non-retiring, non-executive Director and shall not be involved in the day to-day management and operations of the Company;

- (iii) A Managing Director; and
- (iv) Such number of independent and woman director(s) as may be required under applicable laws.
- (d) Upon consummation of the IPO (i.e., the date of commencement of trading of the Shares of the Company pursuant to the IPO), subject to applicable Laws and the approval of the Shareholders by way of a special resolution passed on the earlier of: (a) the first general meeting convened after the consummation of the IPO, and (b) before the expiry of 90 days from the consummation of the IPO:
  - (i) so long the Investor holds at least 5% (five percent) of the Shares ("Investor Director Threshold") on a fully diluted basis, it shall be entitled to nominate 1 (one) non-executive Director on the Board ("Investor Nominee Director"), and such Investor Nominee Director shall, subject to applicable law, not be liable to retire by rotation, for so long as the Investor continues to meet or exceed the Investor Director Threshold to nominate a Director on the Board.
  - (ii) so long the Promoter holds (a) at least 10% (ten percent) of the Shares on a fully diluted basis, it shall be entitled to nominate 2 (Two) non-executive Directors on the Board; or (b) at least 5% (five percent) and less than 10% (ten percent) of the Shares on a fully diluted basis, it shall be entitled to nominate 1 (one) non-executive Director on the Board, ("Promoter Director(s) Threshold") ("Promoter Nominee Director(s)"), and such Promoter Nominee Director(s) shall, subject to applicable law, not be liable to retire by rotation, for so long as the Promoter continues to meet or exceed the Promoter Director Threshold to nominate Director(s) on the Board.
  - (iii) Each Party severally agrees to take all necessary steps and perform all necessary actions as may be required from each of them for effecting the amendment to the Articles to give effect to the aforesaid, including the Company convening the meetings of the Board and Shareholders for this purpose within 90 days of/ after the listing of the Shares pursuant to the IPO."

**Clause 3.9 (b) -**

**Clause 3.9 (b) (Board of Directors - Chairperson)**

(b) The chairperson of the Board shall be appointed from amongst the Promoter Directors present in the meeting of the Board or be such person as nominated by the Promoter pursuant to a resolution passed by the board of directors of the Promoter, and shall not have a casting vote."

The Parties acknowledge that the Chairman of the Board has been appointed pursuant to letters dated July 7, 2022 and June 16, 2023 read with the resolutions dated July 5, 2022 and June 14, 2023, respectively, passed by the board of directors of the Promoter, and such appointment is in compliance with Clause 3.9 of the SHA.

**Clause 12-**

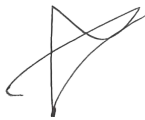
**Clause 12 (*Upside Sharing*)**, read with the definitions of ‘Upside’ and ‘Upside Threshold’ under Clause 1.1 of the SHA, is hereby amended and substituted in its entirety with the following clause:

“If pursuant to the sale of all the Subscription Shares the Investor realizes a return on the Subscription Price in excess of the Upside Threshold, then the Investor will share 20% of the Upside with the Promoter in cash, within 15 days from the receipt of consideration by the Investor pursuant to the sale of Subscription Shares. Provided that if the return realized by the Investor after sharing such Upside would be less than the Upside Threshold, then the Investor shall share such lower percentage of the Upside with the Promoter that, after such sharing, will enable the Investor to realize a return that is equal to the Upside Threshold. An illustration with respect to sharing of Upside in certain circumstances is set out in Schedule 5. **It is hereby clarified that the rights and obligations of the Promoter and the Investor shall, subject to compliance with applicable law including but not limited to Regulation 26(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, continue till such time as the Investor holds any Subscription Shares, and to that extent survive the termination of this Agreement.**”

*# Please note that the following clauses have been excluded in the abovementioned surviving relevant clauses, since these are procedural in nature –*

- (i) Provisions of Clause 1 (Definitions and Interpretation)
- (ii) Clause 19 (Notices),
- (iii) Clause 20 (Dispute Resolution)
- (iv) Clause 21 (Governing Law and Jurisdiction)
- (v) Clause 23 (Miscellaneous)

**For Fedbank Financial Services Limited**



**Rajaraman Sundaresan**  
Company Secretary