

Date : Sep 25, 2023

**Response to Proxy Advisory Recommendations**

In regard to the resolutions proposed vide Notice dated August 02, 2023, for the upcoming Annual General Meeting of the Company, scheduled to be held on Friday, September 29, 2023 at 11:00 A.M. (IST), the proxy advisory firms vide their reports dated 23.09.2023, have given recommendations for some of the resolutions.

The response from the company for the said recommendations, is given below:

**Item No. 2: Re-appointment of Mr. Kenneth Dan Vander Weele as a Director liable to retire by rotation. (Ordinary Resolution)**

**Rationale by SES** for giving 'Against' recommendation: Shareholders' approval not sought for appointment as required by AOA of the Company. Hence, said director cannot retire by rotation if appointment itself is not in accordance with AOA.

**Response by FUSION:** The Shareholders of the Company vide Postal Ballot Notice dated 08.06.2023 have approved the change in the terms of appointment of Mr. Kenneth Dan Vander Weele (DIN: 02545813), Nominee Director, making his office liable to retire by rotation. **Since the said approval by the shareholders has already been taken, there is no further requirement for shareholders' approval.**

**Item No. 3: To Consider and approve the amendments in Articles of Association (AoA) of the Company. (Special Resolution)**

**Rationale by SES** for giving 'Against' recommendation: Compliant with law. Shareholders' approval not sought for appointing Investor Directors after IPO; approval sought is incomplete in nature. Provision for Alternate Director. (SES View: SES of the view that, the Company is seeking shareholders' approval only for Clause 4 without approving the Clause 103.2. Without having approval for clause 103.2 in place, approval for Clause 4 has no meaning. Hence, the approval sought is incomplete in nature.)

**Response by FUSION:** The rationale given by SES itself says 'Compliant with Law'. Further, the Shareholders of the Company vide Postal Ballot Notice dated 08.06.2023 have approved the amended and restated articles of association of the Company, which included clause 103.2 of AOA. **Since the restated articles of association included clause 103.2 which has already been approved by the shareholders vide Postal Ballot Notice dated 08.06.2023, there is no further requirement for shareholders' approval for clause 103.2 of AOA.**

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**Rationale by IAS** for giving 'Against' recommendation: We do not support the resolution as the company has not yet sought ratification of the board and committee nomination rights available to promoters/ investors. Further, Devesh Sachdev's right to appoint a nominee is not linked to a minimum shareholding and the investors are entitled to appoint their nominees on board committees, which we do not support.

**Response by FUSION:** Regarding the Nomination Rights as per clause 103.2 of the AOA, the Shareholders of the Company vide Postal Ballot Notice dated 08.06.2023 have approved the amended and restated articles of association of the Company, which included clause 103.2 of AOA. **Since the restated articles of association included clause 103.2 which has already been approved by the shareholders vide Postal Ballot Notice dated 08.06.2023, there is no further requirement for shareholders' approval for clause 103.2 of AOA.**

We hope that the aforesaid replies will suffice your requirement.

Thanks & Regards,  
**For Fusion Micro Finance Limited**  
**(Formerly Fusion Micro Finance Private Limited)**

**Deepak Madaan**  
**(Company Secretary & Chief Compliance Officer)**