

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

At the Extra Ordinary General Meeting of the Company held on July 21, 2014, the members of the company approved the appointment of the following as independent directors of the Company for a term of 5 (five) consecutive years from July 21, 2014 till July 20, 2019:

Mr. Hoshang Billimoria	Mr. Rajeshwar R. Bajaj
Mr. Humayun Dhanrajgir	Dr. Deepak B. Phatak
Mr. P. M. Thampi	Mr. Vijay merchant

The Company has received their confirmation and taken on record:

- (i) their DIN and profile of their qualifications and experience;
- (ii) their disclosures about the directorships and the membership in the committees of other listed companies;
- (iii) their declaration, that they have not been disqualified from being a director under the provisions of sections 164 of the Companies Act, 2013;
- (iv) their declaration under the provisions of section 184 of the Companies Act, 2013 about their interests in third party contracts between the Company and interested parties;
- (v) their certificate confirming their independence.

The broad terms and conditions of their appointment, subject to the provisions of Section 149 (6) read with Schedule IV of the Companies Act, 2013 pertaining to the Code of Independent Directors conveyed to them of their appointments as Independent Directors on the Board of the Company. The extracts of the same are reproduced below:

I) Expectations of the Board:

As an independent director on the Board of the Company, you shall be expected to adhere to the guidelines for professional conduct and role /functions as detailed in Schedule IV of the Companies Act, 2013 and more particularly set out under **Annexure – I** of this letter.

II) Terms of Appointment

1. Your Appointment is for a term of five years commencing with Effective Date and ending on **July 20, 2019 (Termination Date)**, subject to resolution of shareholders. Your Appointment may be renewed on or prior to the Termination Date inter alia in accordance with the Companies Act, 2013.
2. On or prior to the Termination Date, you may cease to hold office as a Director at any time that you resign by written notice. The written notice of resignation shall be in the form and manner as provided in the Companies Act, 2013.
3. Notwithstanding any other provisions of this letter, your Appointment may be terminated at any time by the Company in accordance with the Company’s Articles of Association or the Companies Act, 2013 including any amendment, modification, variation or re-enactment thereof. Upon such termination or resignation for any reason, you shall not be entitled to any damages for loss of office and no fee will be payable to you in respect of any unexpired portion of the term of the Appointment.

4. During your Appointment you may be asked to serve on one or more of the Board committees and the copies of the terms of reference for each of such committees will be given to you upon such appointments. Presently, the Board has appointed you as a member of 1) Customer Services Committee; and 2) Risk Management Committee. Your Appointment on any other Committees constituted from time to time will be communicated to you.
5. You are considered to be an Independent Director and will be identified as such in the annual report, public disclosures and other documentation. If circumstances change, and you believe that your independence may be in doubt, you should discuss this with the Chairman as soon as practicable.

A) Duties

As a member of the Board along with other Board members, you shall be responsible for fulfilling key functions and duties, as set out under section 149(6) read with **Schedule IV** of the Companies Act, 2013 and more particularly set out under **Annexure –II** of this Letter.

B) Fees and Expenses

- 1) During your tenure, you will be paid sitting fees of Rs. 1 Lac (Rupees One Lac) per Board Meeting or any Committee thereof or such revised amounts as the Board may decide from time to time. Fees will be paid after deduction of TDS, as required under applicable law.
- 2) In addition to the fee described in B (1) above, the Company will reimburse the reasonable expenses incurred by you for participation in the Board and other Committee meetings. You should submit details of expenses incurred to the Company Secretary.
- 3) In addition to above, you may be remunerated by the Company as authorized by the Board of Directors in accordance with the provisions of the Companies Act, 2013 and the rules thereto.

C) Other directorships and business interests

The Company acknowledges that you have business interests other than those of the Company and that you have declared any conflicts that are apparent at present. In the event that you become aware of any potential conflicts of interest, these should be disclosed to the Chairman and Company Secretary as soon as they become apparent.

D) Code of conduct

During the Appointment you will comply with any relevant regulations as may be issued by Ministry of Corporate Affairs, the Companies Act, 2013 and rules made thereunder including the Schedule IV (Code of Conduct) of the Companies Act, 2013 and such other requirements as the Board of Directors may from time to time specify.

E) Confidentiality

You must apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the Appointment or at any time after its termination)

any confidential information concerning the Company and any Group Companies with which you come into contact by virtue of your position as an Independent Director of the Company.

Your attention is drawn to the requirements under both legislation and regulation as to the disclosure of price-sensitive information. Consequently you should avoid making any statements that might risk a breach of these requirements without prior clearance from the Chairman or Company Secretary.

F) Review process

Your performance will be evaluated annually by the entire Board of Directors. If, in the interim, there are any matters which cause you concern about your role you should discuss them with the Chairman as soon as is appropriate.

G) Insurance

The Company has directors' and officers' liability insurance and it is intended to maintain such cover for the full term of the Appointment. The details of this insurance will be provided separately.

Annexure – I

Guidelines of Professional Conduct:

An independent director shall:

- a) uphold ethical standards of integrity and probity;
- b) act objectively and constructively while exercising his duties;
- c) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- d) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- e) 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;
- f) 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;
- g) refrain from any action that would lead to loss of his independence;
- h) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board;
- i) Adhere to the Code of Business Ethics that is set out for the directors and the employees to follow;
- j) shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.

Role and Functions:

- a) 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.
- b) Bring an objective view in the evaluation of the performance of the Board and the management of the Board.
- c) Scrutinize the performance of the management in meetings agreed goals and objectives and monitor the reporting of the performance;
- d) Satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- e) Safeguard the interests of all stakeholders;
- f) Balance the conflicting interest of the shareholders;
- g) 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;
- h) Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest;
- i) Refrain from undertaking such actions as set out under item (m) below and set out by the Company from time to time;
- j) Such other roles as the Board may specify from time to time;
- k) Act in accordance with the articles of the company;
- l) Not to assign his office /any assignment so made shall be void.
- m) Refraining
 - from disclosing confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless approved by the Board or required under law.
 - from unfairly obstructing the functioning of an otherwise proper Board or committee of the Board.

Annexure – II

Duties:

1. Undertaking appropriate induction and regularly updating and refreshing your skills, knowledge and familiarity with the Company.
2. Exercising duties with due and reasonable care, skill and diligence and exercising independent judgment while working 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.
3. Monitoring the effectiveness of the Company's governance practices and making changes as needed.
4. Monitoring and reviewing Board Evaluation framework, while ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
5. 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.
6. Establishing Committees of the Board with well defined mandates, and full disclosures about composition and working procedures and overseeing the process of disclosure and communications and whenever required, participating constructively and actively in the committees of the Board in which you are a chairperson or a member.
7. Ascertaining and ensuring that the Company has an adequate and functional vigil mechanism and for ensuring that the interest of a person, who uses such a mechanism, are not prejudicially affected on account of such use.
8. Striving to attend all Board Meetings and general meetings of the Company and treating all shareholders fairly, where Board decisions may affect different shareholder groups differently.
9. Reporting concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.
10. Complying with all the conditions of the Code of Business Ethics as set out under Schedule IV of the Companies Act, 2013.