

## LETTER OF APPOINTMENT FOR INDEPENDENT DIRECTOR

February 02, 2019

Mr. M. S. Sundara Rajan  
Flat No. 11, 2<sup>nd</sup> Floor, Building No. 248 Ashwaroodha,  
Ambujambal Street, TTK Road, Alwarpet,  
Chennai 600 018

**Dear Mr. M. S. Sundara Rajan,**

We thank you for your confirmation to IDFC Bharat Limited ("**Company**") that you meet the criteria of independence as envisaged in Section 149(6) of the Companies Act, 2013. Pursuant to the said confirmation, we have the pleasure in confirming your appointment on the Board as an Additional Director in the category of Independent Director ("**ID**") of the Company.

This letter sets out the terms and conditions covering your appointment.

### **Appointment**

The Board of Directors of the Company at its Board Meeting held on February 01, 2019 has approved your appointment as an Additional Director in the category of Independent Director of IDFC Bharat Limited for a period of 5 (five) consecutive years with effect from February 1, 2019. However, your appointment is subject to the members of the Company.

Being an ID, your appointment is subject to the provisions of the Companies Act, 2013 and other applicable rules prescribed thereunder, as amended from time to time. Accordingly, the Company has adopted the provisions with respect to appointment, maximum permissible Directorships that one can hold and tenure of Independent Directors which is consistent with the Companies Act, 2013 and other rules, regulations and other applicable rules prescribed thereunder, as amended from time to time.

You will not be liable to retire by rotation. In the event that you are not re-elected at any General Meeting, your appointment shall terminate immediately without any entitlement to compensation in respect of any loss (including but not limited to loss of future fees).

Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

### **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(s) that is set up in the future.

Your appointment on such Committee(s) will be subject to the applicable laws, rules and regulations.

There may be a separate meeting of IDs with the Auditors of the Company without the attendance of non-IDs and members of the Management.

You shall serve on the Committee with the same diligence and commitment as a representative of the Board to ensure its working and proper functioning not only in accordance with law, but in keeping with the expectations of the external stakeholders. Your membership to the Board Committee shall co-exist with your term as Independent Director and shall automatically come to an end at the cessation of your term or revocation of this offer, whichever is earlier.

### **Time Commitment**

As a Non-Executive Director, you are requested to endeavor to bring objectivity and independence of view to the Board's discussions and decision-making and also to help the Board in taking effective and informed decisions in relation to the Company's strategy, planning, performance appraisal, risk management, governance, etc., and also in ensuring highest standards of financial integrity and corporate governance.

The Board meets at least four times in a year. The Committee Meetings shall be held at such intervals as may be required. You are requested to attend Meetings of the Board and Committees on which you are a Member or you may be appointed as Member. You are also requested to attend General Meetings, meet occasionally with management, staff and professional advisers and to devote such time to your duties, as appropriate for you to discharge your duties effectively and independently. Ordinarily, all meetings are held in Tiruchirapalli.

By accepting this appointment, you confirm that you would be able to allocate sufficient time as is prudent and necessary for the proper performance of the role, duties and responsibilities as an ID.

### **Role and Duties**

Independent Directors have the same general legal responsibilities to the company as any other Director. The Board as a whole is collectively responsible for the success of the Company. The Board:

- ✓ Sets the Company's values and standards and ensure that its obligations to its shareholders and others are understood and met.
- ✓ Provides entrepreneurial leadership to the Company within a framework of prudent and effective controls which enable risk to be assessed and managed;
- ✓ Sets the Company's strategic aims, ensures that the necessary financial and human resources are in place for the Company to meet its objectives, and reviews management performance.

Your role and duties will be those as defined under the Companies Act, 2013 as may be amended from time to time.

### **Familiarization and Continuing Education**

The Company shall, wherever required, support IDs to continually update their skills and knowledge and improve their familiarity with the Company and its business, growth plans, the peculiarities of the industry in which the Company operates, its goals and expectations and long term plans and objectives. The Company will arrange/fund for training on all matters which are common to the whole Board and/or in the circumstances where there are changes/amendments in the laws/rules/regulations applicable to the Company.

### **Independent Professional Advice**

There may be occasions when you may need professional advice in furtherance of your duties as a Director and it will be appropriate for you to consult independent advisers at the Company's expense. The Company will reimburse all professional fees reasonably and properly incurred by you for such advice.

### **Insurance**

IDFC Bharat Limited has Directors' and Officers' Liability Insurance which includes directors of IDFC Bharat Limited. The Company will ensure that the premiums for the same are paid in time. A copy of the policy document will be supplied on request.

### **IDFC Bharat Code of Conduct**

As an ID of the Company, you agree to abide by the Code for Independent Directors as annexed to this letter of appointment and marked as **Annexure 1**.

### **Conflict of Interest**

It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment, you are required to declare your directorships,

appointments and interests to the Board in writing in the prescribed form and also keep the information updated as and when required. You are also required to provide such other information/declaration/documents pertaining to your interest in other entities as may be required pursuant to the applicable statutes.

In the event that, in your judgment, circumstances seem to have changed and might give rise to a conflict of interest for you or, wherever applicable, circumstances that might lead the Board to revise its judgment that you are independent, the same should be disclosed to the Board immediately. During your appointment, you should not get involved (whether directly or indirectly) in any Company which might reasonably be considered to compete or have a significant relationship with the said Company without the prior written approval of the Board.

### **Remuneration**

Sitting fees, Profit Related Commission and remuneration as may be approved by the Board of Directors of the Company and subject to the approval of the Members if any, which shall be subjected to the limits as prescribed under the Companies Act, 2013.

Further, the Company may pay or reimburse to you such fair and reasonable expenditure as may have been incurred by you while performing your role as an Independent Director of the Company.

### **Reimbursement of Expenses**

In addition to the above, you will be paid for the travelling expenses including airfare, hotel stay and car on rental and other incidental expenses incurred by you in the performance of your role and duties and for attending the Board/Committee Meetings in person or through video conferencing, or any other audio-visual mode, as may be prescribed in the Companies Act, 2013.

In case, an ID has any other pecuniary relationship, as defined in the Companies Act 2013 apart from the above remuneration, the same shall be immediately disclosed to the Board.

### **Evaluation**

The Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. Your re-appointment on the Board shall be subject to the outcome of the yearly evaluation process.

Evaluation of each Director shall be done by all the other Directors. The criteria for evaluation shall be determined by the Nomination & Remuneration Committee and disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee. If, in the interim, there are any matters which cause you concern about your role you should discuss them with the Chairperson as soon as is appropriate.

### **Disclosure of Interest**

The Company must include in its Annual Accounts, a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting, so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

### **Termination**

Your directorship on the Board shall terminate or cease in accordance with the applicable provisions of the Companies Act 2013, as amended from time to time.

You may resign from your position by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date, if any specified by you in the notice, whichever is later.

If at any stage during the term, there is a change that may affect your status as an Independent Director as envisaged in Section 149 (6) of the Companies Act 2013, you agree to promptly submit your resignation to the Company with effect from the date of such change.

### **Co-operation**

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your term, you agree to render all reasonable assistance and cooperation to the Company and provide such assistance and documents as are necessary and reasonably requested by the Company or any regulatory/statutory authority.

### **Confidentiality**

All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means), to third parties without prior clearance from the Chairperson.

Your attention is also 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 Chairperson or Company Secretary.

**Governing Law**

This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Tiruchirappalli courts.

**Acceptance of Appointment**

We are confident that the Board and the Company will benefit immensely from your rich experience and we are eager to have you as an integral part in the growth of our Company. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

In line with the provision of clause IV sub clause 6 of Schedule IV of the Companies Act, 2013, the terms and conditions of your appointment as Independent director shall be available to public and also be placed on the website of the Company.

We thank you for your continued support and commitment to the Company.

Yours sincerely

**For IDFC Bharat Limited**

**S.Devaraj**  
**Executive Chairman**

I hereby acknowledge receipt of and accept the terms set out in this letter.

Signed .....  
Mr. M. S. Sundara Rajan

Dated.....