



## LETTER OF APPOINTMENT FOR INDEPENDENT DIRECTORS

Dated: August 1, 2017

Ms Marianne Økland  
Flat B 10, Lloyds Wharf  
Mill Street,  
London SE1 2BD

Dear Ms Økland,

We thank you for your confirmation to IDFC 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 re-appointment on the Board as an Independent Director ("**ID**") of the Company for the second term as per the provisions of the Companies Act, 2013 ("**the Act**")

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

### Appointment

The shareholders at the 20<sup>th</sup> Annual General Meeting ("**AGM**") of the Company held on July 28, 2017 confirmed your appointment as ID for a period of two (2) consecutive years to hold office from the conclusion of 20<sup>th</sup> (Twentieth) AGM held for FY2017 till the conclusion of 22<sup>nd</sup> (Twenty Second) AGM of the Company to be held for FY 2019. Being an ID, your appointment is subject to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**'), 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 are consistent with the Companies Act, 2013 and the Listing Regulations.

You will not be liable to retire by rotation. Your appointment may be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

### Committees

Currently, you have been nominated to serve as a Member/Chairman of the following Committees:

Sr. No.	Name of the Committee	Position
1	Audit Committee	Member
2	Risk Management Committee	Chairperson

The Board may change the terms of reference of the Committee or may reconstitute the composition of any/all committees, from time to time.

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.

#### **IDFC Limited**

Naman Chambers, C-32, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051 Tel: +91 22 4222 2000 / 6147 8383  
Registered Office: KRM Towers, 7th Floor, No. 1, Harrington Road, Chetpet, Chennai 600 031 Tel: +91 44 4564 4000 Fax: +91 44 4564 4022  
CIN: L65191TN1997PLC037415 info@idfc.com www.idfc.com

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 functioning properly 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 atleast 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 major shareholders, 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 Mumbai, except for the AGM, which is held at Chennai.

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 and the Listing Regulations, as may be amended from time to time. Same is provided in the Code for Independent Directors annexed to this letter of appointment and marked as **Annexure 1**.

#### **Familiarisation 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 has Directors' and Officers' Liability Insurance which covers the IDs. IDFC will maintain such cover for the full term of your appointment as may be felt necessary. 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 Code of Conduct**

As an ID of the Company, you agree to abide by IDFC's Code of Conduct. Further, 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**

The Shareholders of the Company, at the 16<sup>th</sup> AGM held on July 29, 2013, had accorded their approval for the payment of remuneration by way of commission or otherwise, not exceeding 1% of the Net Profits of the Company, to be paid to and distributed amongst the NEDs of the Company as may be decided by the Board of Directors or a Committee thereof from time to time, for a period of five years commencing from April 1, 2013 to March 31, 2018.

The sitting fees would be payable for attending the board meeting and/or committee meeting as may be decided by the Board. In addition to the sitting fees, profit related commission would also be payable. In determining the amount of commission, the Board may consider various factors as per the remuneration policy.

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.

In case any Director joins the Board during the financial year, then the amount of commission for the various roles outlined above shall be paid proportionately.

#### **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 appointment and re-appointment on the Board and Committees 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 and the Listing Regulations.

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 or if applicable, you fail to meet the criteria for Independence under the provisions of Clause 49 of the Listing Agreement, 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**

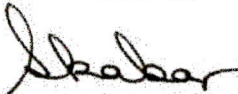
This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Mumbai courts.

**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.

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

Yours sincerely  
For IDFC Limited



**Sunil Kakar**  
**Managing Director & CEO**

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

Signed



Dated .....