



September 25, 2014

CIN : L65910AP1973PLC031293

Mr. S M Jalan,

Dear Mr. Jalan,

We thank you for your confirmation to TCI Finance Limited (the "Company") that you meet the "independence" criteria as envisaged in section 149 (6) of the Companies Act, 2013 ("Act") and clause 49 of the Listing Agreement and also for your consenting to hold office as director of the Company.

We are pleased to confirm that, the shareholders of the Company in their Annual General Meeting held on September 25, 2014 (AGM) have approved your appointment as Independent Director of the Company.

This letter sets out the terms of your appointment as an Independent Director.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the (i) applicable laws/regulations, including the Companies Act, 2013 ("Act"), and clause 49 of the Listing Agreement (as amended from time to time) and (ii) Articles of Association of the Company ("AOA") (hereinafter collectively referred to as laws/regulations).

**1. Appointment**

In accordance with the laws/regulations, you will serve as an Independent Director on the Board for a tenure of 5 years from the date of AGM. Your appointment / re-appointment is subject to the approval of the shareholders and laws/regulations and your reappointment will be based on the outcome of the performance evaluation process and you continuing to meet the independence criteria.

**2. Board Committees**

As advised by the Board, during the tenure of office, you will be required to serve on one or more committees of the Board established by the Company. Upon your appointment to any one or more Committees, you will be provided with the appropriate Committee charter which sets out the functions of that Committee.

Currently the Company has five Board-Level Committees, namely:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Credit Investment Committee

- **Audit Committee**  
The management is responsible for the Company's internal controls and financial reporting process while the statutory auditors are responsible for performing independent audits of the Company's financial statement in accordance with the generally accepted practices and for issuing reports based on such audits. The Board has entrusted the Audit Committee with the responsibility to supervise these processes and thus ensure accurate and timely disclosure that maintain the transparency, integrity and quality of financial control and reporting.
- **Nomination & Remuneration Committee**  
The terms of reference of the committee cover evaluation of compensation and benefits for Executive Director(s), Non-Executive Director (s), framing of policies and system of Employee Stock Option Scheme and looking after the issues relating to HR policies.
- **Stakeholders Relationship Committee**  
This committee has a mandate to review and redress shareholder queries and grievances.
- **Corporate Social Responsibility Committee**  
The purpose of the CSR Committee is to implement the CSR initiatives of the Company.
- **Credit Investment Committee**  
The purpose of the this Committee is to borrow money from lenders.

The Board may reconstitute the composition of any / all Committees from time to time and any such change shall be promptly communicated to you. In such an event you may also be required to serve on other Committees of the Board.

### **3. Training of the Board**

Every new independent director on the Board attends an orientation program. Presentations are made by executive director / senior managerial personnel. The presentations cover an overview of our strategy and operations to familiarize the new inductees about the strategy, operations and functions of our Company. The induction program will provide an opportunity to interact with the senior leadership of the company and help the inductees understand the company's strategy, operations, service and product offerings, markets, organization structure, finance, HR, IT, quality, facilities and risk management.

The Company shall, as may be required, support directors to continually update their skills and knowledge and improve their familiarity with the Company and its business. The Company will fund /arrange for training on all matters which are common to the whole Board.

### **4. TCI Finance Code of Conduct**

As an independent director of Company, you agree to comply with the TCI Finance Code of Conduct for Non-Executive Directors (NEDs). For your reference, the Code of Conduct for NEDs is outlined below:

- Non-Executive Directors of the Company will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and his / her role therein.
- Non-Executive Directors will comply with all applicable laws and regulations of all relevant regulatory and other authorities as may be applicable to such directors in their individual capacities.
- Non-Executive Directors will safeguard the confidentiality of all information received by them by virtue of their position.

Unless specifically authorised by the Company, you shall not disclose company and business information to public constituencies such as the media, the financial community, agents, franchises, dealers, distributors etc.

Your obligation of confidentiality shall survive termination or cessation of your directorship with the Company.

We would also like to draw your attention to the applicability of both the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the TCI Finance Code of Conduct on Prevention of Insider Trading Policy, prohibiting disclosure or use of unpublished price sensitive information.

Additionally, you shall not participate in any business activity which might impede the application of your independent judgement in the best interest of the Company.

All Directors are required to sign a confirmation of acceptance of the TCI Finance code of conduct on annual basis.

## **5. Functions, Responsibilities and Duties of Directors**

- **Functions:**

The independent directors shall:

- 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 board and management;
- c) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

- d) satisfy themselves 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, particularly the minority shareholders;
- f) balance the conflicting interest of the stakeholders;
- 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.

• **Responsibilities:**

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 bonafide 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 accordingly;
- i) assist the company in implementing the best corporate governance practices.

**Duties :**

The independent directors shall—

- a) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;

- b) 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;
- c) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- d) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e) strive to attend the general meetings of the company;
- f) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- g) keep themselves well informed about the company and the external environment in which it operates;
- h) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- j) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- k) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- l) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- m) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

You shall abide by the Code for Independence Directors as outlined in Schedule IV to section 149 (8) of the Act and duties of directors as provided in the Act including section 166 (outlines the duties of directors) and in clause 49 of the Listing Agreement.

#### **6. Remuneration**

Subject to the limits provided under the laws/regulations, as an Independent Director you shall be paid a sitting fee for attending the meetings of the Board and the Committees of which you are a member:

The current structure of sitting fees is as follows:

- Board Meeting - INR 2,000 per meeting
- Audit Committee Meeting - INR 2,000 per meeting
- Other Committee Meetings - INR 2,000 per meeting

At the time of payment sitting fees an indicative list of factors that may be considered are as follows:

- Attendance at Board Meetings
- Attendance at Committee Meetings
- Chairmanship of the Board
- Chairmanship at the Committee
- Contributions at Board and Committee Meetings
- Guidance and support provided to the senior management of the company outside Board meetings
- Industry Practices
- Performance Evaluation and
- Performance of the Company

In addition to the above, you will be entitled to reimbursement of such fair and reasonable expenditure, as may have been incurred by you while performing your role as independent director of the Company. This could include reimbursement of expenditure incurred by you for attending Board / Committee meetings, Annual General Meetings, Extraordinary General Meetings, site visits, induction and training (organised by the Company for Directors) and in obtaining, subject to prior consultation of with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.

**7. Disclosures, other directorship and business interest**

During the term, you agree to promptly notify the Company of any change in your directorship, and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as independent director of the Company, you shall promptly disclose the same to the Chairman or the Company secretary.

During your term, you agree to promptly provide a declaration under section 149 (7) of the Companies Act, 2013 upon any change in circumstances which may affect your status as an Independent Director.

**8. Disclosures, other directorship and business interest**

During the term, you shall promptly intimate the Company Secretary in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

**9. Mechanism for evaluating Board Members**

As a member of the Board, your performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be determined by the Nomination and 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. An indicative list of factors that may be evaluated as part this exercise is:

- Participation and contribution by a director
- Commitment (including guidance provided to the senior management outside Board / Committee meetings)
- Effective deployment of knowledge and expertise
- Effective management of relationship with stakeholders
- Integrity and maintenance of confidentiality
- Independence of behaviour and judgement and
- Impact and influence

**10. Termination**

Your directorship on the Board of the Company shall terminate or cease in accordance with laws/regulations. Apart from the grounds of termination as specified in the Act, your directorship may be terminated for violation of any provision of the TCI Finance Code of Conduct as applicable to Independent directors.

You may resign from the directorship of the Company by giving a notice in writing to the Board of the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by Company or 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 take appropriate measures including submission of resignation to the Company with effect from the date of such change.

It is a pleasure to have you on Board. We are confident that your association, expertise and advice will immensely benefit the Company and the Board.

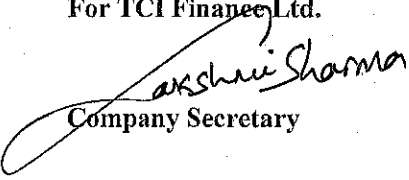
We request you to kindly confirm your acceptance of the terms of appointment by signing and returning the enclosed copy of this letter.



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

Yours Sincerely,

For TCI Finance Ltd.

  
Company Secretary





May 9, 2018

**Dr. D R Agarwal,**

Dear D R Agarwal

We thank you for your confirmation to TCI Finance Limited (the "Company") that you meet the "independence" criteria as envisaged in section 149 (6) of the Companies Act, 2013 ("Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also for your consenting to hold office as director of the Company.

We are pleased to inform you that the Board of Directors of the Company has appointed you as Independent Director w.e.f May 9, 2018 by way circular resolution.

This letter sets out the terms of your appointment as an Independent Director.

The terms of your appointment, as set out in this letter, are subject to the extant provisions of the (i) applicable laws/regulations, including the Act, and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and (ii) Articles of Association of the Company ("AOA") (hereinafter referred to as laws/regulations).

**1. Appointment**

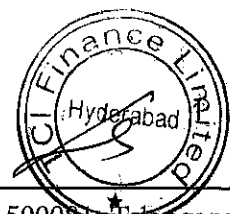
In accordance with the laws/regulations, you will hold office till May 8, 2023 wherein your appointment will be placed in the AGM for approval for such term as permitted under the laws / regulations.

**2. Board Committees**

As advised by the Board, during the tenure of office, you will be required to serve on one or more committees of the Board established by the Company. Upon your appointment to any one or more Committees, you will be provided with the appropriate Committee charter which sets out the functions of that Committee.

Currently the Company has five Board-Level Committees, namely:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Credit Investment Committee



The Board may reconstitute the composition of any / all Committees from time to time and any such change shall be promptly communicated to you. In such an event you may also be required to serve on other Committees of the Board.

### 3. Training of the Board

Every new independent director on the Board attends an orientation program. Presentations are made by executive director / senior managerial personnel. The presentations cover an overview of our strategy and operations to familiarize the new inductees about the strategy, operations and functions of our Company. The induction program will provide an opportunity to interact with the senior leadership of the company and help the inductees understand the company's strategy, operations, service and product offerings, markets, organization structure, finance, HR, IT, quality, facilities and risk management.

The Company shall, as may be required, support directors to continually update their skills and knowledge and improve their familiarity with the company and its business. The Company will fund /arrange for training on all matters which are common to the whole Board.

### 4. TCIF Code of Conduct

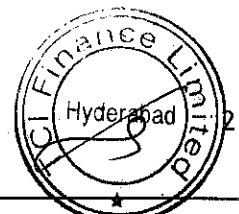
As an independent director of Company, you agree to comply with the TCIF Code of Conduct for Non-Executive Directors (NEDs). For your reference, the Code of Conduct for NEDs is outlined below:

- Non-Executive Directors of the Company will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and his / her role therein.
- Non-Executive Directors will comply with all applicable laws and regulations of all relevant regulatory and other authorities as may be applicable to such directors in their individual capacities.
- Non-Executive Directors will safeguard the confidentiality of all information received by them by virtue of their position.

Unless specifically authorised by the Company, you shall not disclose company and business information to public constituencies such as the media, the financial community, agents, franchises, dealers, distributors etc.

Your obligation of confidentiality shall survive termination or cessation of your directorship with the Company.

We would also like to draw your attention to the applicability of both the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the TCIF Code of Conduct on Prevention of Insider Trading Policy, prohibiting disclosure or use of unpublished price sensitive information.



Additionally, you shall not participate in any business activity which might impede the application of your independent judgement in the best interest of the Company.

All Directors are required to sign a confirmation of acceptance of the TCIF code of conduct on annual basis.

## 5. Functions, Responsibilities and Duties of Directors

- **Functions:**

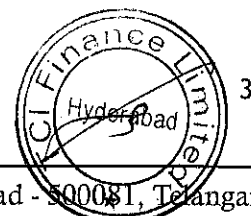
The independent directors shall:

- 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 board and management;
- c) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d) satisfy themselves 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, particularly the minority shareholders;
- f) balance the conflicting interest of the stakeholders;
- 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.

- **Responsibilities:**

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;

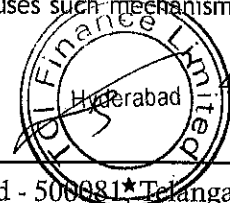


- e) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- f) not abuse his position to the detriment 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 accordingly;
- i) assist the company in implementing the best corporate governance practices.

• **Duties :**

The independent directors shall--

- a) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- b) 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;
- c) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- d) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e) strive to attend the general meetings of the company;
- f) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- g) keep themselves well informed about the company and the external environment in which it operates;
- h) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- j) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;



- k) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- l) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- m) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

You shall abide by the Code for Independence Directors as outlined in Schedule IV to section 149 (8) of the Companies Act, 2013 and duties of directors as provided in the Companies Act, 2013 including section 166 and in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### 6. Remuneration

Subject to the limits provided under the laws/regulations, as an Independent Director you shall be paid a sitting fee for attending the meetings of the Board and the Committees of which you are a member:

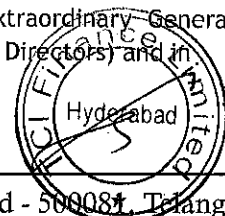
The current structure of sitting fees is as follows:

- Board Meeting - INR 15,000 per meeting
- Audit Committee Meeting - INR 15,000 per meeting
- Other Committee Meetings - INR 2,000 per meeting

In addition to the sitting fees, profits related commission may also be payable to you. In determining the amount of this commission, the nomination and remuneration committee/Board of directors may consider various factors as disclosed in the remuneration policy. An indicative list of factors that may be considered are as follows:

- Attendance at Board Meetings
- Attendance at Committee Meetings
- Chairmanship of the Board
- Chairmanship at the Committee
- Contributions at Board and Committee Meetings
- Guidance and support provided to the senior management of the company outside Board meetings
- Industry Practices
- Performance Evaluation and
- Performance of the Company

In addition to the above, you will be entitled to reimbursement of such fair and reasonable expenditure, as may have been incurred by you while performing your role as independent director of the Company. This could include reimbursement of expenditure incurred by you for attending Board / Committee meetings, Annual General Meetings, Extraordinary General Meetings, site visits, induction and training (organised by the Company for Directors) and in



obtaining, subject to prior consultation of with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.

**7. Disclosures, other directorship and business interest**

During the term, you agree to promptly notify the Company of any change in your directorship, and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as independent director of the Company, you shall promptly disclose the same to the Chairman or the Company secretary.

During your term, you agree to promptly provide a declaration under section 149 (7) of the Companies Act, 2013 upon any change in circumstances which may affect your status as an Independent Director.

**8. Disclosures, other directorship and business interest**

During the term, you shall promptly intimate the Company Secretary in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

**9. Mechanism for evaluating Board Members**

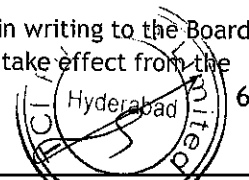
As a member of the Board, your performance as well as the performance of the entire Board and its Committees shall be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation shall be determined by the Nomination and Remuneration Committee 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. An indicative list of factors that may be evaluated as part this exercise is:

- Participation and contribution by a director
- Commitment (including guidance provided to the senior management outside Board / Committee meetings)
- Effective deployment of knowledge and expertise
- Effective management of relationship with stakeholders
- Integrity and maintenance of confidentiality
- Independence of behaviour and judgement and
- Impact and influence

**10. Termination**

Your directorship on the Board of the Company shall terminate or cease in accordance with laws/regulations. Apart from the grounds of termination as specified in the Act, your directorship may be terminated for violation of any provision of the TCIF Code of Conduct as applicable to independent directors.

You may resign from the directorship of the Company by giving a notice in writing to the Board of the Company stating the reasons for resignation. The resignation shall take effect from the

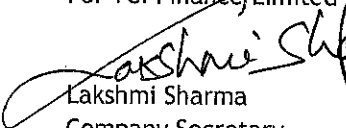


date on which the notice is received by Company or date if any, specified by you in the notice, whichever is later.

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 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, you agree to promptly take appropriate measures including submission of resignation to the Company with effect from the date of such change.

It is a pleasure to have you on Board. We are confident that your association, expertise and advice will immensely benefit the Company and the Board.

Yours Sincerely,  
For TCI Finance Limited

  
Lakshmi Sharma  
Company Secretary

