

TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS

[Pursuant to the provisions of Schedule IV to the Companies Act, 2013 (“the Act”)]

The terms and conditions of appointment of Independent Directors are as under. The term “Independent Director” should be construed as defined under the Companies Act, 2013.

A. Appointment

1. Mr. Deepak Ghaisas was appointed as an Independent Director of the Citicorp Finance (India) Limited (hereinafter referred to as the “Company”) for a term of five (5) consecutive years by the Board at its meeting held on January 28, 2015 followed by members at an Extra-ordinary General Meeting held on April 29, 2015. Mr. Deepak Ghaisas has been appointed as an Independent Director of the Company for a second term of five (5) consecutive years from January 28, 2020 to January 27, 2025 (“**Term**”) by the Board at the Board of Directors meeting held on January 23, 2020.
2. The Company may remove Independent Director prior to completion of the Term subject to compliance of relevant provisions of the Act and Articles of Association of the Company.
3. In compliance with provision Section 149(13) of the Act, Independent Director is not liable to retire by rotation.
4. During the Term, as per the section 149 (7) of the Act, the independent Director agrees to submit a declaration, at the first meeting of the Board of the Company in which the Independent Director participates as a director and thereafter at the beginning of every financial year or whenever there is a change in the circumstances which may affect their status as an independent director stating that the Independent Director meets the criteria of independence as provided in Section 149(6) of the Act.
5. Independent Director agrees to ensure compliance with all applicable provisions of the Act.

So long as you are an Independent Director of the Company, the number of companies in which you hold office as a Director will not exceed the limit stipulated under the Act.

B. Committees

Apart from acting as member of the Board of Citicorp Finance (India) Limited, Independent Director shall also act as a member of the following board committees:

- (i) Audit Committee
- (ii) Nomination and Remuneration Committee
- (iii) Corporate Social Responsibility Committee
- (iv) Any other statutory committee that the Company will be required to formulate in future, due to applicability of provisions of Companies Act 2013 or regulations issued by the Reserve Bank of India from time to time as applicable to Non-Banking Finance Companies or any other law that may apply to the Company (like Listing Regulation) etc.

The membership of above committees are subject to changes as approved / ratified by the Board from time to time.

The decision to nominate the Independent Director as chairman of any committee shall be decided by the Board, as and when it is required.

C. Frequency of Meetings

Independent Director agrees to attend the meetings of the Board and the aforementioned Committees. During a financial year the Company will convene following minimum number of Board and Committee meetings.

- a. **Board Meetings:** Four in a Financial Year.
- b. **Audit Committee Meetings:** The Committee shall meet as often as it determines, but the Committee shall meet at least once in every 6 months.
- c. **Nomination & Remuneration Committee Meeting:** As per the requirement arising in the Company;
- d. **Corporate Social Responsibility Committee:** As per the requirement arising in the Company;

The Independent Director shall hold atleast one meeting in a financial year as required under schedule IV of the Companies Act, 2013 without the attendance of non-independent directors and members of management.

D. Code of Conduct and Role, Duties and Responsibilities

As an Independent Director of the Company, you agree to comply with the below:

1. Continue to meet the “independence” criteria as envisaged in Section 149(6) of the Act.
2. Act in accordance with the Company’s Article of Association.
3. Abide by the guidelines of professional conduct for Independent Directors as set out in Section 149(8) read with Schedule IV to the Act.
4. Abide by the Citi Code of Ethics and Business Principles Applicable to Non-Executive Directors and business principles to the extent applicable to an Independent Director of the Company.
5. Comply with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation, 2015 in relation to the role, function and duties as a Director in the Board of the Company.
6. You will take necessary action for inclusion of your name in data bank of Independent Directors by making online application to “The Institute of Corporate Affairs” at Manesar, India (ICAM), renew it from time to time, as applicable, and pass the online proficiency self-assessment test as applicable.
7. You should act in good faith in order to promote the objects of the Company for the benefits of its members as a whole, and in the best interest of the Company, its employees, the members and the community.
8. You should comply with the provision of the CFIL Code of Conduct for Prevention of Insider Trading - 2019 in terms of which disclosure or use of unpublished price sensitive information is prohibited.
9. You should not involve in a situation in which you may have direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
10. You should take care that you do not achieve or attempt to achieve any undue gain or advantage either to yourself or your relatives, partners, or associates and if found guilty of making any undue gain, you shall be liable to pay an amount equal to that gain to the Company.

11. You should not assign your office as a director and any assignment so made shall be void.
12. Accountability under the Director's Responsibility Statement.
13. Independent Director agrees to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as Independent Director.
14. You are expected to :
 - i. Guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
 - ii. Guide the Board in monitoring and managing potential conflicts of interest of management, Board Members and stakeholders, including misuse of corporate assets and abuse in related party transactions;

E. Liability

You shall be held liable only in respect of such acts of omission or commission by a company which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you had not acted diligently.

F. Use of Technology

You may attend the Board or Committee meeting in person or through video conferencing or other audio visual means subject to the applicable provisions of the Act.

G. Performance Evaluation

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.

Your reappointment or extension of term and your remuneration will be recommended by the Nomination and Remuneration Committee to the Board, pursuant to a performance evaluation carried out by the Board subject to approval of the shareholders of the Company.

H. Status of Appointment and Remuneration

1. You will not be an employee of the Company and this letter shall not constitute a contract of employment, and this arrangement is basis the statutory / regulatory requirements of the Company.
2. Your sitting fees for attending each meeting of the Board and Committees as may be determined by the Board from time to time will be Rs 1,00,000/- per Board meeting/ Committee meeting.
3. You will be entitled to reimbursement of expenses incurred by you in connection with attending the Board meetings, Board Committee meetings, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.
4. Pursuant to Section 149(9) of the Act, you will not be entitled to any stock options.
5. This letter represents the entire understanding and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between yourself and the Company with respect thereto and without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.

6. No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.

I. Training

You will be entitled to the benefit of an induction program to familiarize yourself with the business and affairs of the Company.

Further, pursuant to The Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, you will require to submit to the Company a declaration that you have complied with the requirement as to inclusion of name in data bank and passed the online proficiency self- assessment test (OPST).

J. Termination

Your directorship on the Board of the Company shall terminate or cease in accordance with the provisions of the Act and those which are laid by the Company in its code of conduct and Article of Association.

Your directorship on the Board of the Company shall cease in accordance with law. Apart from the grounds of termination as specified in the Act, your directorship may be terminated for violation of any provision of Citi Code of Ethics and Business Principles Applicable to Non-Executive Directors.

You may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation and also to Registrar of Companies (RoC). 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 Act you agree to promptly submit your resignation to the Company with effect from the date of such change.

K. Confidentiality

All information acquired during your tenure of directorship is confidential and should not be disclosed, either during your tenure or following termination (by whatever means) to third parties without prior clearance from the Chairman, unless required by law or by the rules of, or written / electronic communication from, any stock exchange or regulatory body or other authority (“Legal Authorities”). In the latter case, you would be required to suitably inform the Chairman of such an event or disclosure. You should direct any media queries or approaches to the appropriate spokesperson within the Company. On reasonable request, you shall surrender any documents and other materials made available to you by the Company. However, you shall be entitled to retain one copy of all physical and/or electronic documents and materials subject to the obligation of confidentiality set out above, which shall continue even after you cease to be a director. You shall be entitled to use the retained documents and materials in connection with any legal, regulatory, arbitration and other action or proceedings.

Subject to the terms contained herein, any information that is sent across to you as a password protected file will continue to be available with you as a file capable of being opened with the same password. You shall maintain such password confidentially.

The requirement of confidentiality shall continue to be applicable during and after your tenure as director of the Company. For removal of doubts, it is clarified that, once you cease to be a director of the Company, if you are required by Legal Authorities to disclose the information that is available, you may do so and for information that is not available with you, you may direct such authorities to seek such information directly from the Company. The Company upon making a determination that it is in possession of such information and that such disclosure is required to be made by law, shall take such steps as deemed necessary to disclose that information.

L. Other Terms

1. During the term, the Independent Director agrees to notify the Company upon becoming aware of any potential conflict of interest with his position as Independent Director of the Company,
2. During the Term, the Independent Director agrees to promptly notify the Company of any change in their directorships, Memberships and provide such other disclosures and information as may be required under the applicable laws.
3. Independent Director agrees to ensure compliance with Act in relation to the number of companies in which he can hold office as a Director.
4. During the Term, they shall promptly intimate the Company Secretary and the Ministry of Corporate Affairs in the prescribed manner, of any change in address or other contact and personal details provided to the Company.
5. You shall be required to submit certain information in the prescribed forms on a defined periodicity. You are required to disclose to the Company your interest and any matters which affect your independence.
6. During the term, you shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.
7. 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 co-operation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.
8. Article 143 of the company's articles of association (reproduced below) deals with indemnity available to *inter alia* directors of the Company. The benefit of the indemnity will continue to be available to you even after you cease to be a director..

Article 143: Subject to the provisions of the Act, every Director, auditor, key managerial personnel and other officer or servant of the Company (all of whom hereinafter referred to as "officer or servant") shall be indemnified by the Company, and it shall be the duty of the Company and directors, jointly as well as severally, to pay, out of the funds of the Company, all bonafide cost, losses and expense which any such personnel, officer or servant may have incurred or become liable to by reason of any contract entered into or act or thing done or omitted by him as such in any way in the discharge of his/her duties, and in particular, and so as not to limit the generality of the foregoing provisions, against any liability incurred by such officer or servant in defending any bonafide proceedings (whether civil or criminal). The amount for which such indemnity is provided shall immediately attach as a charge on the property of the Company.

9. Citibank India and affiliated entities in India which are majority owned, directly or indirectly, by Citigroup Inc (“collectively referred to as “Citi India”) maintain a Directors and Officers (D&O) Insurance Policy. This Policy covers any natural person who was, now is, or becomes during the Policy period a Director or Officer of Citi India and, subject to Policy terms and conditions, applies when no indemnification is permissible by Citi India or any other Citi affiliate. A copy of the Director’s and Officers Liability Insurance for the period October 17, 2019 to October 10, 2020 has been made available to the CFIL Independent Directors. Such a policy will be maintained and renewed through the tenure of the Independent Director and a copy of such a policy will be made available to the Independent Director. _

M. Governing Law

The appointment of Independent Directors and any non-contractual obligations arising out thereof shall be governed by and be construed in accordance with the laws of India and the parties agree to submit to the exclusive jurisdiction of the courts of Mumbai.

N. Publication of Letter

In line with the provisions of Schedule IV to the Companies Act 2013, the Company will post the terms and conditions of the appointment on the Company’s website.

These terms are binding on both the Company and the Independent Director retrospectively with effect from 28th January 2020 i.e. the commencement date of appointment for the second term. Please confirm your acceptance by signing, dating, and returning a copy of this letter to the Company.

Yours Faithfully,

For Citicorp Finance (India) Limited

Sd/-

Nina Nagpal

Managing Director

DIN- 00138918

AGREE AND ACCEPT

I have read and understood the terms of my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.

Sd/-

Name: Deepak Ghaisas

DIN: 00001811

Place: Mumbai

Date: November 03, 2020

ANNEXURE – I CODE FOR INDEPENDENT DIRECTOR

The Code has been prescribed under Schedule IV of the Companies Act, 2013 and the same is reproduced herein below for your perusal and ready reference:-

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of regulators and companies in the institution of independent directors.

I. Guidelines for Professional conduct:

1. To uphold ethical standards of integrity and probity;
2. To act objectively and constructively while exercising your duties;
3. To exercise your responsibilities in a bona fide manner in the interest of the Company;
4. To devote sufficient time and attention to your professional obligations for informed and balanced decision making;
5. To not allow any extraneous considerations that will vitiate your 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;
6. To not abuse your 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;
7. To refrain from any action that would lead to loss of your independence;
8. where circumstances arise which make an independent Director lose his independence, the independent director must immediately inform the Board accordingly;
9. To assist the Company in implementing the best corporate governance practices.

II. Role and functions:

1. Assist 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.
2. Bring an objective view in the evaluation of the performance of Board and management.
3. Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
4. Satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.
5. Safeguard the interests of all stakeholders, particularly the minority shareholders.
6. Balance the conflicting interest of the stakeholders.
7. 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.
8. Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

1. Undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company.
2. 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.
3. Strive to attend all meetings of the Board of Directors including separate meeting(s) of the independent directors of the Company and of the Board committees of which you are a member.
4. Participate constructively and actively in the committees of the Board in which you are chairperson or member.
5. Strive to attend the general meetings of the Company.
6. Where you 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 your concerns are recorded in the minutes of the Board Meeting.
7. Keep yourself well informed about the Company and the external environment in which it operates.
8. Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board.
9. Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same are in the interest of the Company.
10. 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.
11. Report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
12. Acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees.
13. 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.

IV. Manner of appointment

1. Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
2. The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
3. The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
4. The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
 - a. the term of appointment;
 - b. the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - c. the fiduciary duties that come with such an appointment along with accompanying liabilities;

- d. provision for Directors and Officers (D and O) insurance, if any;
 - e. the Code of Business Ethics that the company expects its directors and employees to follow;
 - f. the list of actions that a director should not do while functioning as such in the company; and
 - g. the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
5. The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
 6. The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

1. The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
2. An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
3. Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

1. The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
2. All the independent directors of the company shall strive to be present at such meeting;
3. The meeting shall:
 - a) review the performance of non-independent directors and the Board as a whole;
 - b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

1. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
2. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director

ANNEXURE – II

Duties of Directors under Section 166 of Companies Act 2013

1. Subject to the provisions of this Act, a director of a company shall act in accordance with the Articles of the company.
2. A director of a company shall act in good faith in order 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, and for the protection of environment.
3. A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
4. A director of a company 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.
5. A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
6. A director of a company shall not assign his office and any assignment so made shall be void.
7. If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

Annexure-III
Responsibilities and Functions of Directors under Securities and Exchange Board of India
(Listing Obligations and Disclosure requirements) Regulation, 2015

(a) Disclosure of Information

(1) Director shall disclose to the board of directors whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the listed entity.

(2) Director shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision-making.

(b) Key functions of the Board of Directors: The board of directors shall fulfill certain key functions, including

(1) Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.

(2) Monitoring the effectiveness of the Listed Entity's governance practices and making changes as needed.

(3) Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.

(4) Aligning key executive and board remuneration with the longer term interests of the Listed Entity and its shareholders.

(5) Ensuring a transparent nomination process to the Board of Directors with the diversity of thought, experience, knowledge, perspective and gender in the Board.

(6) Monitoring and managing potential conflicts of interest of management, members of Board of Directors and shareholders, including misuse of corporate assets and abuse in related party transactions.

(7) Ensuring the integrity of the listed entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

(8) Overseeing the process of disclosure and communications.

(9) Monitoring and reviewing Board of Directors Evaluation framework.

(c) Other responsibilities

(1) The Board of Directors shall provide the strategic guidance to the listed entity, ensure effective monitoring of the management and shall be accountable to the listed entity and the shareholders.

(2) The Board of Directors shall set a corporate culture and the values by which executives throughout a group will behave.

(3) Members of Board of Directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.

(4) The Board of Directors shall encourage continuing directors training to ensure that the Members of Board of Directors are kept up to date.

(5) Where decisions of Board of Directors may affect different shareholder groups differently, the Board of Directors shall treat all shareholders fairly.

(6) The Board of Directors shall apply high ethical standards and shall take into account the interests of stakeholders.

(7) The Board of Directors shall be able to exercise objective independent judgment on corporate affairs.

(8) The Board of Directors shall consider assigning a sufficient number of non-executive members of Board of Directors capable of exercising independent judgment to tasks where there is a potential for conflict of interest.

(9) The Board of Directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the listed entity to excessive risk.

(10) The Board of Directors shall have ability to ‘step back’ to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the listed entity’s focus.

(11) When Committees of the board of Directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the board of Directors.

(12) Members of Board of Directors shall be able to commit themselves effectively to their responsibilities.

(13) In order to fulfil their responsibilities, members of Board of Directors shall have access to accurate, relevant and timely information.

(14) The Board of Directors and senior management shall facilitate the Independent Directors to perform their role effectively as a member of Board of Directors and also a member of a committee of Board of Directors

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The terms and conditions of appointment of Independent Directors are as under. The term “Independent Director” should be construed as defined under the Companies Act, 2013.

A. Appointment

1. Mr. Saurabh Shah was appointed as an Independent Director of the Citicorp Finance (India) Limited (hereinafter referred to as the “Company”) for a term of five (5) consecutive years by the Board at its meeting held on January 28, 2015 followed by members at an Extra-ordinary General Meeting held on April 29, 2015. Mr. Saurabh Shah has been appointed as an Independent Director of the Company for a second term of five (5) consecutive years from January 28, 2020 to January 27, 2025 (“**Term**”) by the Board at the Board of Directors meeting held on January 23, 2020.
2. The Company may remove Independent Director prior to completion of the Term subject to compliance of relevant provisions of the Act and Articles of Association of the Company.
3. In compliance with provision Section 149(13) of the Act, Independent Director is not liable to retire by rotation.
4. During the Term, as per the section 149 (7) of the Act, the independent Director agrees to submit a declaration, at the first meeting of the Board of the Company in which the Independent Director participates as a director and thereafter at the beginning of every financial year or whenever there is a change in the circumstances which may affect their status as an independent director stating that the Independent Director meets the criteria of independence as provided in Section 149(6) of the Act.
5. Independent Director agrees to ensure compliance with all applicable provisions of the Act.

So long as you are an Independent Director of the Company, the number of companies in which you hold office as a Director will not exceed the limit stipulated under the Act.

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- (iii) Corporate Social Responsibility Committee
- (iv) Any other statutory committee that the Company will be required to formulate in future, due to applicability of provisions of Companies Act 2013 or regulations issued by the Reserve Bank of India from time to time as applicable to Non-Banking Finance Companies or any other law that may apply to the Company (like Listing Regulation) etc.

The membership of above committees are subject to changes as approved / ratified by the Board from time to time.

The decision to nominate the Independent Director as chairman of any committee shall be decided by the Board, as and when it is required.

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- a. **Board Meetings:** Four in a Financial Year.
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- c. **Nomination & Remuneration Committee Meeting:** As per the requirement arising in the Company;
- d. **Corporate Social Responsibility Committee:** As per the requirement arising in the Company;

The Independent Director shall hold atleast one meeting in a financial year as required under schedule IV of the Companies Act, 2013 without the attendance of non-independent directors and members of management.

D. Code of Conduct and Role, Duties and Responsibilities

As an Independent Director of the Company, you agree to comply with the below:

1. Continue to meet the “independence” criteria as envisaged in Section 149(6) of the Act.
2. Act in accordance with the Company’s Article of Association.
3. Abide by the guidelines of professional conduct for Independent Directors as set out in Section 149(8) read with Schedule IV to the Act.
4. Abide by the Citi Code of Ethics and Business Principles Applicable to Non-Executive Directors and business principles to the extent applicable to an Independent Director of the Company.
5. Comply with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation, 2015 in relation to the role, function and duties as a Director in the Board of the Company.
6. You will take necessary action for inclusion of your name in data bank of Independent Directors by making online application to “The Institute of Corporate Affairs” at Manesar, India (ICAM), renew it from time to time, as applicable, and pass the online proficiency self-assessment test as applicable.
7. You should act in good faith in order to promote the objects of the Company for the benefits of its members as a whole, and in the best interest of the Company, its employees, the members and the community.
8. You should comply with the provision of the CFIL Code of Conduct for Prevention of Insider Trading - 2019 in terms of which disclosure or use of unpublished price sensitive information is prohibited.
9. You should not involve in a situation in which you may have direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
10. You should take care that you do not achieve or attempt to achieve any undue gain or advantage either to yourself or your relatives, partners, or associates and if found guilty of making any undue gain, you shall be liable to pay an amount equal to that gain to the Company.

11. You should not assign your office as a director and any assignment so made shall be void.
12. Accountability under the Director's Responsibility Statement.
13. Independent Director agrees to devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as Independent Director.
14. You are expected to :
 - i. Guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
 - ii. Guide the Board in monitoring and managing potential conflicts of interest of management, Board Members and stakeholders, including misuse of corporate assets and abuse in related party transactions;

E. Liability

You shall be held liable only in respect of such acts of omission or commission by a company which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you had not acted diligently.

F. Use of Technology

You may attend the Board or Committee meeting in person or through video conferencing or other audio visual means subject to the applicable provisions of the Act.

G. Performance Evaluation

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.

Your reappointment or extension of term and your remuneration will be recommended by the Nomination and Remuneration Committee to the Board, pursuant to a performance evaluation carried out by the Board subject to approval of the shareholders of the Company.

H. Status of Appointment and Remuneration

1. You will not be an employee of the Company and this letter shall not constitute a contract of employment, and this arrangement is basis the statutory / regulatory requirements of the Company.
2. Your sitting fees for attending each meeting of the Board and Committees as may be determined by the Board from time to time will be Rs 1,00,000/- per Board meeting/ Committee meeting.
3. You will be entitled to reimbursement of expenses incurred by you in connection with attending the Board meetings, Board Committee meetings, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.
4. Pursuant to Section 149(9) of the Act, you will not be entitled to any stock options.
5. This letter represents the entire understanding and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between yourself and the Company with respect thereto and without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.

6. No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.

I. Training

You will be entitled to the benefit of an induction program to familiarize yourself with the business and affairs of the Company.

Further, pursuant to The Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, you will require to submit to the Company a declaration that you have complied with the requirement as to inclusion of name in data bank and passed the online proficiency self- assessment test (OPST).

J. Termination

Your directorship on the Board of the Company shall terminate or cease in accordance with the provisions of the Act and those which are laid by the Company in its code of conduct and Article of Association.

Your directorship on the Board of the Company shall cease in accordance with law. Apart from the grounds of termination as specified in the Act, your directorship may be terminated for violation of any provision of Citi Code of Ethics and Business Principles Applicable to Non-Executive Directors.

You may resign from the directorship of the Company by giving a notice in writing to the Company stating the reasons for resignation and also to Registrar of Companies (RoC). 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 Act you agree to promptly submit your resignation to the Company with effect from the date of such change.

K. Confidentiality

All information acquired during your tenure of directorship is confidential and should not be disclosed, either during your tenure or following termination (by whatever means) to third parties without prior clearance from the Chairman, unless required by law or by the rules of, or written / electronic communication from, any stock exchange or regulatory body or other authority (“Legal Authorities”). In the latter case, you would be required to suitably inform the Chairman of such an event or disclosure. You should direct any media queries or approaches to the appropriate spokesperson within the Company. On reasonable request, you shall surrender any documents and other materials made available to you by the Company. However, you shall be entitled to retain one copy of all physical and/or electronic documents and materials subject to the obligation of confidentiality set out above, which shall continue even after you cease to be a director. You shall be entitled to use the retained documents and materials in connection with any legal, regulatory, arbitration and other action or proceedings.

Subject to the terms contained herein, any information that is sent across to you as a password protected file will continue to be available with you as a file capable of being opened with the same password. You shall maintain such password confidentially.

The requirement of confidentiality shall continue to be applicable during and after your tenure as director of the Company. For removal of doubts, it is clarified that, once you cease to be a director of the Company, if you are required by Legal Authorities to disclose the information that is available, you may do so and for information that is not available with you, you may direct such authorities to seek such information directly from the Company. The Company upon making a determination that it is in possession of such information and that such disclosure is required to be made by law, shall take such steps as deemed necessary to disclose that information.

L. Other Terms

1. During the term, the Independent Director agrees to notify the Company upon becoming aware of any potential conflict of interest with his position as Independent Director of the Company,
2. During the Term, the Independent Director agrees to promptly notify the Company of any change in their directorships, Memberships and provide such other disclosures and information as may be required under the applicable laws.
3. Independent Director agrees to ensure compliance with Act in relation to the number of companies in which he can hold office as a Director.
4. During the Term, they shall promptly intimate the Company Secretary and the Ministry of Corporate Affairs in the prescribed manner, of any change in address or other contact and personal details provided to the Company.
5. You shall be required to submit certain information in the prescribed forms on a defined periodicity. You are required to disclose to the Company your interest and any matters which affect your independence.
6. During the term, you shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.
7. 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 co-operation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.
8. Article 143 of the company's articles of association (reproduced below) deals with indemnity available to *inter alia* directors of the Company. The benefit of the indemnity will continue to be available to you even after you cease to be a director..

Article 143: Subject to the provisions of the Act, every Director, auditor, key managerial personnel and other officer or servant of the Company (all of whom hereinafter referred to as "officer or servant") shall be indemnified by the Company, and it shall be the duty of the Company and directors, jointly as well as severally, to pay, out of the funds of the Company, all bonafide cost, losses and expense which any such personnel, officer or servant may have incurred or become liable to by reason of any contract entered into or act or thing done or omitted by him as such in any way in the discharge of his/her duties, and in particular, and so as not to limit the generality of the foregoing provisions, against any liability incurred by such officer or servant in defending any bonafide proceedings (whether civil or criminal). The amount for which such indemnity is provided shall immediately attach as a charge on the property of the Company.

9. Citibank India and affiliated entities in India which are majority owned, directly or indirectly, by Citigroup Inc (“collectively referred to as “Citi India”) maintain a Directors and Officers (D&O) Insurance Policy. This Policy covers any natural person who was, now is, or becomes during the Policy period a Director or Officer of Citi India and, subject to Policy terms and conditions, applies when no indemnification is permissible by Citi India or any other Citi affiliate. A copy of the Director’s and Officers Liability Insurance for the period October 17, 2019 to October 10, 2020 has been made available to the CFIL Independent Directors. Such a policy will be maintained and renewed through the tenure of the Independent Director and a copy of such a policy will be made available to the Independent Director. ₂

M. Governing Law

The appointment of Independent Directors and any non-contractual obligations arising out thereof shall be governed by and be construed in accordance with the laws of India and the parties agree to submit to the exclusive jurisdiction of the courts of Mumbai.

N. Publication of Letter

In line with the provisions of Schedule IV to the Companies Act 2013, the Company will post the terms and conditions of the appointment on the Company’s website.

These terms are binding on both the Company and the Independent Director retrospectively with effect from 28th January 2020 i.e. the commencement date of appointment for the second term. Please confirm your acceptance by signing, dating, and returning a copy of this letter to the Company.

Yours Faithfully,

For Citicorp Finance (India) Limited

Sd/-

Nina Nagpal

Managing Director

DIN- 00138918

AGREE AND ACCEPT

I have read and understood the terms of my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.

Sd/-

Name: Saurabh Shah

DIN: 02094645

Place: Mumbai

Date: November 03, 2020

ANNEXURE – I CODE FOR INDEPENDENT DIRECTOR

The Code has been prescribed under Schedule IV of the Companies Act, 2013 and the same is reproduced herein below for your perusal and ready reference:-

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of regulators and companies in the institution of independent directors.

I. Guidelines for Professional conduct:

1. To uphold ethical standards of integrity and probity;
2. To act objectively and constructively while exercising your duties;
3. To exercise your responsibilities in a bona fide manner in the interest of the Company;
4. To devote sufficient time and attention to your professional obligations for informed and balanced decision making;
5. To not allow any extraneous considerations that will vitiate your 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;
6. To not abuse your 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;
7. To refrain from any action that would lead to loss of your independence;
8. where circumstances arise which make an independent Director lose his independence, the independent director must immediately inform the Board accordingly;
9. To assist the Company in implementing the best corporate governance practices.

II. Role and functions:

1. Assist 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.
2. Bring an objective view in the evaluation of the performance of Board and management.
3. Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
4. Satisfy yourself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.
5. Safeguard the interests of all stakeholders, particularly the minority shareholders.
6. Balance the conflicting interest of the stakeholders.
7. 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.
8. Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

1. Undertake appropriate induction and regularly update and refresh your skills, knowledge and familiarity with the Company.
2. 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.
3. Strive to attend all meetings of the Board of Directors including separate meeting(s) of the independent directors of the Company and of the Board committees of which you are a member.
4. Participate constructively and actively in the committees of the Board in which you are chairperson or member.
5. Strive to attend the general meetings of the Company.
6. Where you 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 your concerns are recorded in the minutes of the Board Meeting.
7. Keep yourself well informed about the Company and the external environment in which it operates.
8. Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board.
9. Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same are in the interest of the Company.
10. 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.
11. Report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.
12. Acting within your authority, assist in protecting the legitimate interests of the Company, shareholders and its employees.
13. 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.

IV. Manner of appointment

1. Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
2. The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
3. The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
4. The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
 - a. the term of appointment;
 - b. the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - c. the fiduciary duties that come with such an appointment along with accompanying liabilities;

- d. provision for Directors and Officers (D and O) insurance, if any;
 - e. the Code of Business Ethics that the company expects its directors and employees to follow;
 - f. the list of actions that a director should not do while functioning as such in the company; and
 - g. the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
5. The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
 6. The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

1. The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
2. An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
3. Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

1. The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
2. All the independent directors of the company shall strive to be present at such meeting;
3. The meeting shall:
 - a) review the performance of non-independent directors and the Board as a whole;
 - b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

1. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
2. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director

ANNEXURE – II

Duties of Directors under Section 166 of Companies Act 2013

1. Subject to the provisions of this Act, a director of a company shall act in accordance with the Articles of the company.
2. A director of a company shall act in good faith in order 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, and for the protection of environment.
3. A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
4. A director of a company 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.
5. A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
6. A director of a company shall not assign his office and any assignment so made shall be void.
7. If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

Annexure-III
Responsibilities and Functions of Directors under Securities and Exchange Board of India
(Listing Obligations and Disclosure requirements) Regulation, 2015

(a) Disclosure of Information

(1) Director shall disclose to the board of directors whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the listed entity.

(2) Director shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision-making.

(b) Key functions of the Board of Directors: The board of directors shall fulfill certain key functions, including

(1) Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.

(2) Monitoring the effectiveness of the Listed Entity's governance practices and making changes as needed.

(3) Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.

(4) Aligning key executive and board remuneration with the longer term interests of the Listed Entity and its shareholders.

(5) Ensuring a transparent nomination process to the Board of Directors with the diversity of thought, experience, knowledge, perspective and gender in the Board.

(6) Monitoring and managing potential conflicts of interest of management, members of Board of Directors and shareholders, including misuse of corporate assets and abuse in related party transactions.

(7) Ensuring the integrity of the listed entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

(8) Overseeing the process of disclosure and communications.

(9) Monitoring and reviewing Board of Directors Evaluation framework.

(c) Other responsibilities

(1) The Board of Directors shall provide the strategic guidance to the listed entity, ensure effective monitoring of the management and shall be accountable to the listed entity and the shareholders.

(2) The Board of Directors shall set a corporate culture and the values by which executives throughout a group will behave.

(3) Members of Board of Directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.

(4) The Board of Directors shall encourage continuing directors training to ensure that the Members of Board of Directors are kept up to date.

(5) Where decisions of Board of Directors may affect different shareholder groups differently, the Board of Directors shall treat all shareholders fairly.

(6) The Board of Directors shall apply high ethical standards and shall take into account the interests of stakeholders.

(7) The Board of Directors shall be able to exercise objective independent judgment on corporate affairs.

(8) The Board of Directors shall consider assigning a sufficient number of non-executive members of Board of Directors capable of exercising independent judgment to tasks where there is a potential for conflict of interest.

(9) The Board of Directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the listed entity to excessive risk.

(10) The Board of Directors shall have ability to ‘step back’ to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the listed entity’s focus.

(11) When Committees of the board of Directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the board of Directors.

(12) Members of Board of Directors shall be able to commit themselves effectively to their responsibilities.

(13) In order to fulfil their responsibilities, members of Board of Directors shall have access to accurate, relevant and timely information.

(14) The Board of Directors and senior management shall facilitate the Independent Directors to perform their role effectively as a member of Board of Directors and also a member of a committee of Board of Directors