

SHFL/HO/MD//2014-15

Date:

Name of the Director

Address:

Sub: Appointment as an Independent Director of Shriram Housing Finance Limited (“the Company”)

On behalf of the Company, I take the pleasure in informing you about your appointment as an Independent Director on the Board of the Company, by the shareholders of the Company, with effect from _____. The terms of appointment, which shall, in any case, be subject to the Articles of Association of the Company, are set out as below.

Subject to the detailed terms of this letter, you have been appointed as an Independent Director under the provisions of the Companies Act, 2013 for a term of _____ years, from _____ to _____.

Appointment:

1. Your appointment as a Non-Executive Independent Director on the Board of Directors of the Company is subject to the provisions of the Companies Act, 2013.
2. In compliance with the provisions of section 149 (13) of the Companies Act, 2013, your directorship is not subject to retirement by rotation.
3. Notwithstanding other provisions of this letter, the appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in section 149(6) or on occurrence of any event as defined in section 167 of the Companies Act, 2013.
4. Upon termination or upon your resignation for any reason, duly intimated to the Company, you will be entitled to any compensation for loss of office.

Time commitment

5. As a Non-Executive Independent Director you are expected to bring objectivity and independence of view to the Board's discussions and to help the Board with effective leadership in relation to the Company's strategy, performance and risk management as well as ensuring high standards of financial probity and corporate governance. The Board generally meets four times in a year. Besides, there are other Committee meetings like Nomination & Remuneration Committee, Corporate Social Responsibility Committee and other sub-committee meetings which are ordinarily convened as per requirements. You will be expected to attend Board and Board Committee meetings to which you may be appointed and Shareholders' meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.

6. By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

Roles and Duties

7. Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under :-
 - I. You shall act in accordance with the Company's Articles of Association as may be amended from time to time.
 - II. You 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 interest of the Company.
 - III. You shall discharge your duties with due and reasonable care, skill and diligence.
 - IV. You shall not involve yourself in a situation in which you may have direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
 - V. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
 - VI. You shall not assign your office as Director and any assignments so made shall be void.

In addition to the above requirements the Board of Directors also expect you to perform the following functions:

- I. You should constructively challenge and help develop proposals on strategy for growth of the Company.
- II. You should evaluate the performance of management in meeting agreed goals and objectives.
- III. You should satisfy yourself on the integrity of financial information and that financial controls and systems of risk management are effective and defensible.
- IV. You will take responsibility for the processes for accurately reporting on performance and the financial position of the Company.
- V. You should keep governance and compliance with the applicable legislation and regulations under review and the conformity of Company's practices to accepted norms.

Status of Appointment

8. You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board.
9. The sitting fees presently paid to the Non-Executive Independent Director is _____ per meeting of the Board or a Committee thereof.

10. You will have no entitlement to any bonus during the appointment and no entitlement to participate in any employee stock option scheme operated by the Company.

Reimbursement of Expenses

11. In addition to the remuneration described above, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

Conflict of Interest

12. It is accepted and acknowledged that you may have business interests other than those of the Company. As condition to your appointment, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.
13. In the event that your circumstances seems likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgment that you are independent, this should be disclosed to both the Managing Director and the Company Secretary.

Evaluation

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

Disclosure of Interest

15. Any material interest that a Director may have in any transaction or arrangement that the Company has entered into should be disclosed no later than where the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our record are updated. A general notice that you are interested in any contract with a particular person, firm or Company is acceptable.

Code of Conduct

16. During the appointment you are required to comply with regulations as contained in Schedule IV under Companies Act, 2013.

Confidentiality

17. All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Board of Directors unless required by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.

Publication of the letter of appointment

18. In line with provision of Clause IV sub clause 6 of Schedule IV, under Companies Act, 2013, the Company will make public the terms and conditions of your appointment and will also arrange for it to be displayed on the Company's website.

Membership of Committees

19. The Board of Directors may appoint you as Member/Chairman of one or more of its committees which will be covered in a separate communication setting out the relevant committee's terms of reference and any specific responsibilities.

Termination

20. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice to the Board. In terms of provisions of the Companies Act, 2013, you are required to file a copy of your resignation letter with the Registrar of Companies, Chennai.
21. Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.
22. Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

General

23. This letter and any non-contractual obligations arising out of or in connection with this letter are governed by and shall be construed in accordance with, the laws of India and the parties agree to submit to the exclusive jurisdiction of courts of Chennai.
24. Please confirm your agreement to the above by signing and returning the enclosed duplicate of this letter

Yours sincerely

For Shriram Housing Finance Limited

Sujan Sinha

Managing Director & CEO

I have read and agree to the above terms regarding my appointment as an Independent Director of Shriram Housing Finance Limited.

Accepted: _____