Date

Name
Address
Address
Address

Re : Appointment as Independent Director of IL&FS Investment Managers Limited (the Company)

Dear Sir :

We are pleased to inform that that the _____ (Board of Directors/Shareholders) at their meeting held on _____, approved your appointment as an Independent Non-Executive Director of the Company for term of ___ consecutive years from _____ to _____. This letter sets out the terms of your appointment

(1) Term : You will hold office of an Independent Director of the Company for a term of ___ years from _____ to _____ and shall not be liable to retire by rotation. Your appointment is subject to the approval of shareholders

(2) Role :

You are expected to provide your expertise and experience to the Board and the Company as well as ensure high standards of corporate governance. You will be expected to attend meetings of the Board, Board Committees 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

You may be nominated on one or more Committees of the Board. You will be provided with the relevant terms of reference on your appointment to such a Committee. You may also be asked to serve as a Non-Executive Director on the Board of any of the Company's subsidiaries

(3) Duties :

You will be expected to perform your duties, faithfully, efficiently and diligently to a standard commensurate both to your role and your knowledge, skill and experience. The Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (LODR) govern the duties and liabilities of the Director

You shall abide by the provisions of the Company's Code of Conduct which includes Code for Independent Directors as per the specifications of Schedule IV of the Companies Act, 2013 and the Company's Code of Conduct for Prohibition of Insider Trading

(4) Insurance :

The Company has a Directors' and Officers' Liability Insurance in place and it is intended to maintain such cover for the full term of your appointment

(5) Remuneration :

You will be paid sitting fees of Rs. 50,000/- for attending each meeting of the Board, Rs. 35,000/- for attending each Committee meeting and Rs. 15,000/- for attending each meeting of the Independent Directors. The same may be revised from time to time at the discretion of the Board

You shall be entitled for reimbursement of travel and expenses for participation in the Board and other committee meetings

(6) Independence : You are expected to continue to be qualified as 'Independent' during your tenure and provide periodic declaration to that effect as required by the Companies Act, 2013 and the LODR. Qualifications of an Independent Director as enumerated in the Companies Act, 2013 and LODR are detailed in Annexure I

(7) Vacation and Termination of the Office : The office you hold as a Director becomes vacant in certain circumstances which are enclosed herewith as Annexure II

(8) Evaluation : Your performance evaluation shall be done annually. You will participate in annual performance review of individual directors, the Board as a whole and Committees thereof

(9) Familiarisation Programme : The Company will arrange for a formal Familiarisation Program with respect to the business of the Company. You are requested to attend such Program as and when arranged by the Company

(10) Confidentiality : You acknowledge that all information acquired during your tenure is confidential to the Company and should not be released, communicated, nor disclosed either during your appointment or following termination (by whatever means), to any third parties without prior clearance of the Board of Directors

(11) <u>Contract</u> :

This is a contract for services and is not a contract of employment

All terms of your appointment mentioned herein including your appointment, role, duties and remuneration shall be governed by the Companies Act, 2013 and Rules thereunder and LODR including any modification or re-enactment thereof

Thanking you,

Yours sincerely,

Name
Designation

Annexure I

"Independent director" means a non-executive director, other than a nominee director of the listed entity :

(1) who is a person of integrity and possesses relevant expertise and experience;

(2) who is or was not a promoter of the listed entity or its holding, subsidiary or associate company or member of the promoter group of the listed entity;

(3) who is not related to promoters or directors in the listed entity, its holding, subsidiary or associate company;

(4) who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, during the three immediately preceding financial years or during the current financial year;

(5) none of whose relatives –

i. is holding securities of or interest in the listed entity, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value in excess of fifty lakh rupees or two percent of the paid-up capital of the listed entity, its holding, subsidiary or associate company, respectively, or such higher sum as may be specified;

ii. is indebted to the listed entity, its holding, subsidiary or associate company or their promoters or directors, in excess of such amount as may be specified during the three immediately preceding financial years or during the current financial year;

iii. has given a guarantee or provided any security in connection with the indebtedness of any third person to the listed entity, its holding, subsidiary or associate company or their promoters or directors, for such amount as may be specified during the three immediately preceding financial years or during the current financial year; or

iv. has or had pecuniary transaction or relationship with the listed entity, its holding, subsidiary or associate company amounting to two per cent or more of its gross turnover or total income

Provided that the pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company or their promoters, or directors in relation to points (i) to (iv) above shall not exceed two percent of its gross turnover or total income or fifty lakh rupees or such higher amount as may be specified from time to time, whichever is lower

(6) who, neither himself/herself, nor whose relative(s) –

i. holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate company or any company belonging to the promoter group of the listed entity, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed

Provided that in case of a relative, who is an employee other than key managerial personnel, the restriction under this clause shall not apply for his/her employement

ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of :

a) a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or

b) any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

iii. holds together with his relatives two per cent or more of the total voting power of the listed entity; or

iv. is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts or corpus from the listed entity, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the listed entity;

v. is a material supplier, service provider or customer or a lessor or lessee of the listed entity;

(7) who is not a non-independent director of another company on the board of which any Non-Independent Director of the listed entity is an Independent Director

Note – For the purpose of the above any directorship in 'high value debt listed entity' is also to be considered. 'high value debt listed entities' shall mean a listed entity which has listed its non-convertible debt securities and has an outstanding value of listed non-convertible debt securities of Rupees Five Hundred Crore and above

Explanation – In case of a 'high value debt listed entity' :

(a) which is a body corporate, mandated to constitute its board of directors in a specific manner in accordance with the law under which it is established, the non- executive directors on its board shall be treated as independent directors;

(b) which is a Trust, mandated to constitute its 'board of trustees' in accordance with the law under which it is established, the non-employee trustees on its board shall be treated as independent directors

Annexure II

Circumstances under which a person shall be disqualified to be appointed as a Director of a Company are contained in Section 167 read with Section 164, 152(3) and 184 of the Companies Act, 2013 which are as follows :

(1) If he is of unsound mind and stands so declared by a competent court

(2) If he is an undischarged insolvent

(3) If he has applied to be adjudicated as an insolvent and his application is pending

(4) If he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any Company

(5) If an order disqualifying him for appointment as a director has been passed by a court or Tribunal and the order is in force

(6) If he has not paid any calls in respect of any shares of the Company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call

(7) If he has been convicted of the offence dealing with related party transactions under Section 188 at any time during the last preceding five years; or

(8) If he has not been allotted the Director Identification Number

(9) If he holds office of director, including any alternate directorship, in more than twenty companies at the same time, provided that the maximum number of public companies in which a person can be appointed as a director shall not exceed ten;

(10) If the Company of which he is a Director, has not filed financial statements or annual returns for any continuous period of three financial years; or has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more. The said Director shall be not be eligible to be re-appointed as a director of that Company or appointed in other Company for a period of five years from the date on which the said Company fails to do so

(11) If he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board

(12) If he acts in contravention of the provisions of Section 184 relating to entering into contracts or arrangements in which he is directly or indirectly interested

(13) If he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of Section 184

(14) If he becomes disqualified by an order of a court or the Tribunal

(15) If he convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months

Provided that the office shall not be vacated by the director in case of orders referred to in clauses (14) and (15) –

(i) for thirty days from the date of conviction or order of disqualification;
(ii) where an appeal or petition is preferred within thirty days as aforesaid against the conviction resulting in sentence or order, until expiry of seven days from the date on which such appeal or petition is disposed of; or
(iii) where any further appeal or petition is preferred against order or sentence within seven days, until such further appeal or petition is disposed of

(16) If he is removed in pursuance of the provisions of Companies Act, 2013

(17) If he, having been appointed a director by virtue of his holding any office or other employment in the Holding, Subsidiary Or Associate Company, ceases to hold such office or other employment in that Company