



**AHAM HOUSING FINANCE PRIVATE LIMITED**

**TERMS AND CONDITIONS OF APPOINTMENT  
OF INDEPENDENT DIRECTORS**

Date:

[Name and Address of the Independent Director]

**Sub: Your appointment as Non-Executive Independent Director of the Company:**

**Dear \_\_\_\_\_,**

We take pleasure in informing you that at the \_\_\_\_ Annual General Meeting of the Company held on \_\_\_\_\_, \_\_\_\_\_, the resolution relating to your appointment as an Independent Director of the Company, pursuant to the Companies Act, 2013, and the Rules thereunder was approved by the Shareholders.

As required under the Companies Act, 2013, this letter of appointment is issued to formalize your appointment as an Independent Director. Kindly note that you will not be deemed to be an employee of the Company and this letter does not constitute a contract of employment.

### **1. Appointment**

- 1.1 Your appointment as an Independent Director of the Company is for a term of \_\_\_\_\_ (\_\_\_\_) consecutive years i.e., from \_\_\_\_\_. You will not be liable to retire by rotation.
- 1.2 The Company has adopted the provisions with respect to the appointment and tenure of Independent Directors, which are consistent with the provisions of the Companies Act, 2013, the Rules thereunder.
- 1.3 You have been appointed as an Independent Director, meeting all the criteria stipulated under sec.149 of the Companies Act, 2013, and hence whenever there is any change in the circumstances which may affect your status as an Independent Director the same may be declared to the Board.

### **2. Committees of the Board**

During your term of office, you may be appointed to one or more Committee(s) of the Board, as the Board deems fit. Your appointment to such Committee(s) will be subject to the applicable regulations/rules of the Companies Act, RBI, and NHB.

### **3. Meetings**

- 3.1 The Board of Directors of the Company ('Board') meets at regular intervals, which is finalized in advance in consultation with all the Directors. A minimum of 4 Board meetings are held each year.
- 3.2 You will be expected to attend meetings of the Board and the Board Committees (to which you may be appointed in the future) in addition to the Shareholders meetings (Annual

General Meeting/Extraordinary General Meeting) and to devote such time to your duties, as appropriate for you to discharge your duties effectively. Ordinarily, all meetings are held in Chennai.

#### **4. Role and Duties**

4.1 Your role and duties as an Independent Director will be those as required of all Directors under the Companies Act, 2013, some of which are specifically outlined below:

- (a) To act in accordance with the Articles of Association of the Company.
- (b) To 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, its employees, the shareholders, the community, and for the protection of the environment.
- (c) To discharge duties with due and reasonable care, skill, and diligence and exercise independent judgment.
- (d) Not to involve in a situation in which the Director may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- (e) Not to achieve or attempt to achieve any undue gain or advantage either to the Director concerned or to his/her relatives, partners, or associates. If found guilty of making any undue gain, the Director concerned shall become liable to pay an amount equal to the gain to the Company.
- (f) Not to assign his/her office as Director; any assignment, if made, shall be void.

4.2 In addition to the above which are generally expected of all Directors, an Independent Director shall:

- (a) Undertake appropriate induction and regularly update & refresh his/her 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 Board committees in which he may be a chairperson or member;

- (e) Strive to attend the general meetings of shareholders of the Company;
- (f) Ensure that any concern that he may have about the running of the Company or proposed action is addressed by the Board and to the extent that they are not resolved, seek inclusion of concerns in the minutes of the Board meeting;
- (g) Be well-informed about the Company and the external environment in which it operates;
- (h) Not unfairly obstruct the functioning of an otherwise proper Board or committee(s) of the Board;
- (i) Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure that they 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;
- (l) Within the Director's authority, assist in protecting the legitimate interests of the Company, its shareholders, and employees;
- (m) Not disclose any confidential information including commercial secrets, technologies, advertising & sales promotion plans, and unpublished price-sensitive information unless such disclosure is expressly approved by the Board or required by law.

## **5. Responsibilities and Functions**

Independent Directors have the same general responsibilities as other Directors on the Board. The functions of the Board of Directors of the Company are to:

- Review and approve annual and medium/long-term plans.
- Provide strategic guidance for the implementation of business policy.
- Oversee the performance of management in meeting agreed goals & objectives and monitor the reporting of performance.
- Ensure the integrity of financial information and the robustness and defensibility of financial controls and systems of risk management.
- Oversee internal control processes including the legal and regulatory compliance framework of the Company.

- Determine appropriate levels of remuneration for Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning.

## **6. Compensation**

6.1 You will be paid remuneration by way of sitting fees, as decided by the Board from time to time, for attending meetings of the Board and its Committees, on which you would be a member.

6.2 Independent Directors are not entitled to stock options of the Company as per the Companies Act, 2013.

## **7. Disclosure of Interest**

In respect of your business interests in other entities, if any, to avoid any conflict of interest, you are expected to disclose to the Board, in writing, through the Company Secretary, the nature of interest, both direct and indirect, in any contract or arrangement entered or proposed to be entered by the Company with such entities. In the event of any change in the nature of your interest, the same shall also be disclosed to the Board forthwith. Further, as stipulated under the Companies Act, 2013, you shall abstain from participating in the Board/Committee Meeting where there is deliberation or voting on any item of business in respect of which you are interested.

## **8. Code of Conduct**

All Non-executive Directors including Independent Directors are governed by the Code of Conduct adopted by the Company.

You may also refer to Schedule IV of the Companies Act, 2013 provided as an annexure hereunder, a code provided as a guide to the professional conduct of independent directors and adhere to the standards prescribed in fulfilling your responsibilities as an Independent Director.

## **9. Confidentiality**

All information acquired during your tenure of office concerning the Company and the group companies is confidential and shall not be disclosed to third parties. This requirement extends beyond your period of office as Director.

## **10. Professional Advice**

If the Board considers it necessary to seek independent professional advice with regard to legal, financial, or other advice in the furtherance of its duties, then the Managing or Whole-time

Director or Company Secretary or the Chief Operating Officer of the Company may be directed to obtain such advice and provide copies of the same.

## **11. Resignation**

You may resign from your position at any time and should you wish to do so, you are requested to communicate the same in writing to the Board.

We look forward to your association with the Company and your contribution to the Board/Board-Committee deliberations for the Company's benefit and betterment in the years to come.

Yours sincerely,

**For Aham Housing Finance Private Limited**

Sd/-

**Venkatesh Kannappan**  
**Managing Director & CEO**