

Magma Housing Finance Limited

This document intends to formulate, formalize and establish Remuneration Policy for the Company for Directors, senior management personnel, key managerial personnel and other employees of the Company

Remuneration Policy

Effective Date: 25.07.2017

Approval Date: 25.07.2017

Version No.: 2.0

Approved By: Board of Directors

Policy Owner : Human Resource Department through Nomination and Remuneration Committee

This document is confidential in nature and supersedes any Policy on Remuneration existing in the Company, and should be read in conjunction with the most recent policies and procedures documented.

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Base Document	:	Applicable provisions of the Companies Act, 2013, and Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016.
Initial Document Prepared by	:	Mr. Anand Roy
Functional aspects checked by	:	Mr. Debraj Sinha & Ms. Shabnum Zaman
Governing Guideline/ Policy	:	Applicable provisions of the Companies Act, 2013 and Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016.
Legal aspects checked by	:	Vinod Kothari & Co.

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REMUNERATION POLICY

Context/ Legal Genesis:

In terms of Section 178 of the Companies Act, 2013, this remuneration policy was formulated by the Nomination and Remuneration Committee (“Committee”) and approved by the Board of Directors on 29.01.2015.

The Board of Directors of the Company has constituted/reconstituted the Committee pursuant to the provisions of The Companies Act, 2013 (hereinafter referred to as the “Act”)and Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 issued by National Housing Bank vide Notification No. NHB.HFC.CG-DIR.1/MD&CEO/2016 dated 9 February 2017 (hereinafter referred to as the “CG Directions, 2016”).

The role of the Committee shall be to ensure compliance with the relevant provisions of the Act and various other obligations as mentioned in the Charter of the Committee as approved by the Board of Directors from time to time.

Objectives and Purpose of the Policy

The objectives and purpose of the policy are:

1. Selection and performance evaluation criteria for directors, senior management personnel and key managerial personnel (*defined elsewhere*) of the Company;
 - Senior management personnel has been defined in Section 178 of the Companies Act, 2013 as , personnel of the company who are members of its core management team excluding Board of Directors; normally this would comprise all members of management one level below the executive directors, including all functional heads;
 - In Company’s context the term “Senior Management Personnel” would cover employees directly reporting to the Managing Director (MD) of the Company or Vice Chairman and the Managing Director of Magma Fincorp Limited (VC&MD) or Executive Committee (Excom)(defined elsewhere in the document), if applicable;
2. Determination of qualification, positive attributes and independence test for the Independent directors to be appointed;
3. Remuneration policy for the Directors (including Independent Directors), Senior Management Personnel as well as Key Managerial Personnel (Chief Executive Officer, Chief Financial Officer and Company Secretary) (“KMP”) and other employees;

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Selection and Performance Evaluation criteria for directors, senior management personnel and key managerial personnel of the Company –

The term “Director” would include all Nominee/Non-Independent Directors, Independent Directors and any Non-Executive/Executive Directors in the Company.

Selection Criteria:

- 1.1 The Company currently has one Executive Director/s. Selection of Executive Director/s shall be on the line of selection criteria laid down for independent directors, insofar as those criteria are not inconsistent with the nature of appointment; Nomination and Remuneration Committee is responsible for identification, shortlisting and recommendation of the candidature of person for the position of Executive and Non-Executive Directors to the Board of Directors of the Company;
- 1.2 Nominee Directors shall be taken on board, as and when nominated by the investor/s to protect such investor/s interests and such appointments shall usually be governed by the investment/ subscription agreement/s the Company has/will have with such investor/s;
- 1.3 Independent Directors will be selected on the basis of identification of industry/ subject leaders with strong experience. The advisory area and therefore the role, may be defined for each independent director;
- 1.4 In Company’s context, it would cover employees directly reporting to the Managing Director (MD) of the Company or Vice Chairman and the Managing Director of Magma Fincorp Limited (VC&MD) or Executive Committee (Excom)(defined elsewhere in the document), if applicable;
- 1.5 For any Senior Management Personnel recruitment, it is critical to identify the necessity for that role in the context of the Company. In order to validate the requirement –
 - 1.5.1 Job Description (JD) along with profile fitment characteristics from a personality, experience and qualification point of view shall be created;
 - 1.5.2 The recruitment process shall generally involve meetings with Chief People Officer of its parent Company, Magma Fincorp Limited (CPO), MD of the Company and/or VC&MD and/or identified members of the Nomination and Remuneration Committee (“NRC”) and Board, on the basis of which the candidature will be finalised;
 - 1.5.3 The total remuneration to be offered to the new candidate as above, shall be shared with the NRC for their concurrence by the CPO. Thereafter, the offer shall be rolled out;

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Induction Process:

- 1.6 Any Senior Management Personnel recruited, shall go through a detailed induction process:
- 1.6.1 MD of the Company and/or VC&MD shall usually be involved in the familiarisation/ induction process for the Senior Management Personnel;
 - 1.6.2 CPO shall work closely with the new joinee to share the company's values, culture and introduction to other key personnel in the organization;
 - 1.6.3 In case any input from any Board member is required on the familiarisation or expectation setting, interaction shall be planned and conducted. This interaction however shall be decided on a case-to-case basis.

Evaluation Process:

Performance Evaluation of the Board of Directors:

- 1.7 The appraisal of the Board, as a collective body and the Directors, individually, shall be based on pre-identified and agreed parameters.
- 1.8 Such performance evaluation shall be undertaken at a reasonably regular interval – usually once in every financial year using questionnaire. The questionnaire will usually be circulated to the members of the Board of the Company in the first quarter of every calendar year (corresponding to the last quarter of every financial year) and the Directors are encouraged to submit their comments within a month of receiving the questionnaire.
- 1.9 Chairman of the NRC shall conduct a one-to-one session with each Director to understand their point of view on the parameters for performance evaluation each such Director would be subjected to.
- 1.9.1 Performance evaluation parameters for the Board may consist of parameters for evaluation of Board as a collective body, evaluation of committees of Board, evaluation of the Chairman and individual Director survey form as contained in **Annexure – 1**.
- 1.10 Independent Directors shall hold at least one meeting every financial year without the participation of other Non-Independent Directors and/or members of management, to undertake the following agenda at the minimum:
- 1.10.1 Review of performance of non-Independent Directors and the Board as a whole;
 - 1.10.2 Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

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1.10.3 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;

1.11 Evaluation of performance of Board, as a collective body, shall be done by the Independent Directors at an exclusive meeting of Independent Directors (as stated hereinbefore), apart from evaluation of performance of individual director. The Board in turn shall appraise each individual Independent Director on the basis of pre-defined evaluation parameters.

1.12 At an appropriate interval, at the sole and exclusive discretion of the Board, the Board may seek intervention of an external expert/ facilitator in the process of performance evaluation of the Board.

Performance Evaluation of Senior Management Personnel:

1.13 To evaluate the performance of the Senior Management Personnel, the Company shall follow a detailed process of Performance Evaluation:

1.13.1 Key Results Areas (KRAs) shall be established for each member that will be derived from the overall strategy of the organization and shall incorporate policy directives provided by the Board.

1.13.2 The performance against these KRAs shall be reviewed by MD of the Company and/or the VC & MD

1.13.3 At the end of the Performance Review period, there shall be a formal Performance assessment by the MD of the Company and/or VC&MD. The feedback from NRC members, as appropriate, shall also be taken into consideration.

1.13.4 Final rating shall be provided along with salary increment on Fixed Compensation and Annual Performance Bonus as applicable.

1.14 Removal of any member of the Senior Management Personnel shall be subject to the performance and behaviour of the individual and the decision for the removal of such personnel shall be recommended by the NRC to the Board.

Succession Planning:

1.15 Succession planning for Directors (including independent directors) shall be done by NRC as they may deem appropriate.

1.16 Succession planning process at the Company for the senior management positions involves:

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- 1.16.1 Identification of critical positions shall be done on the basis their contribution towards the achievement of the organization objectives;
- 1.16.2 The critical positions shall usually be identified at the Senior Management Personnel level;
- 1.16.3 The succession plan shall be based on potential and performance levels;
- 1.16.4 Initiatives shall then be planned to manage/ develop the identified high potentials;

Determination of qualification, positive attributes and independence test for the Independent directors to be appointed.

- 2.1. For each Independent Director, the appointment shall be based on the need identified by the Board;
- 2.2. The role and duties of the Independent Director shall be clearly specified by highlighting the committees they are expected to serve on, as well as the expectations of the Board from them;
- 2.3. At the time of selection, Board shall review the candidature on skill, experience and knowledge to ensure an overall balance in the Board so as to enable the Board to discharge its functions and duties effectively;
- 2.4. Any appointment of the Independent Director shall be approved at the meeting of the shareholders, in accordance with extant laws;
- 2.5. Director's Independence test shall be conducted as per the conditions specified in the Act and the rules thereunder. The details of the Independence test are mentioned in **Annexure 2**.
- 2.6. Board's expectation from each Independent Director shall be clearly mentioned in the appointment letter. Usually the appointment letter to be issued to independent director shall be in the format enclosed as **Annexure 3**.
- 2.7. The Independent Director shall confirm having read and complied with the Code of Conduct of Parent Company, Magma Fincorp Limited. They shall also need to confirm and sign the Independence Test;
- 2.8. The remuneration of the Directors shall be established on the reasonability and sufficiency of level in order to attract, retain and motivate the Directors;
- 2.9. To familiarize the new directors to Magma, an induction kit shall usually be shared with them. The kit shall include at the minimum –
 - 2.9.1. Mission, Vision and Values of Magma
 - 2.9.2. Group Business Structure

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- 2.9.3. Brief profile of the Board of Directors
 - 2.9.4. Composition of Committees of the Board
 - 2.9.5. Brief profile of Senior Managerial Personnel
 - 2.9.6. Press Releases for last two quarters
 - 2.9.7. Investor Presentation
 - 2.9.8. Latest Annual Report
 - 2.9.9. Latest Shareholding Pattern and Shareholders holding more than 5% of shares
 - 2.9.10. Codes and Policies
 - 2.9.11. Remuneration payable to Directors
- 2.10. MD of the Company and/or VC&MD along with the Company Secretary shall be involved in the familiarisation/ induction process for the independent director/s;
- 2.11. During the familiarization process, MD of the Company and/or VC&MD shall usually share the organization details, vision and strategy for the organization as well as his expectations from the Senior Management Personnel; any inputs made by Independent Directors shall be considered appropriately;
- 2.12. MD of the Company and/or VC&MD and the Company Secretary shall interact closely with the Independent Director who is a new joinee to share the values, culture, introduction to other key personnel in the organization;
- 2.13. In case, any input from any other Board member is required on the familiarisation, a detailed interaction will be planned and conducted with them as well.

Remuneration policy for the Directors (including Independent Directors), key managerial personnel and senior management personnel:

- 3.1 The remuneration of Directors shall be established on the reasonability and sufficiency of level in order to attract, retain and motivate the Directors:
- 3.1.1 The Independent Directors would be paid sitting fees subject to the limits prescribed under the Act, or any amendments thereto, as may be determined by NRC from time to time, for attending each meeting(s) of the Board and Committees thereof.
 - 3.1.2 Directors shall be reimbursed any travel or other expenses, incurred by them, for attending the Board and Committee meetings.
 - 3.1.3 Additionally, the Independent Directors shall be paid remuneration by way of commission for each financial year.

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3.1.3.1 Total commission pay out to all independent directors in aggregate shall be restricted to a limit of 1% of net profits of the Company as determined in accordance with Section 198 of the Companies Act, 2013, further subject to recommendation by the NRC and determination by the Board, as further subject to approval by the shareholders of the Company at the Annual General Meeting.

3.1.3.2 NRC shall recommend quantum of commission which, in its best judgement and opinion is commensurate to the level of engagement each Independent Director would have with the members of Senior Management Personnel and/or other Board members, towards providing inputs, insights and guidance on various matters of importance from time to time.

3.2 The remuneration paid to MD of the Company shall be considered by the NRC taking into account various parameters included in this policy document and recommended to the Board for approval. This shall be further subject to the approval of the Members at the next General Meeting of the Company in consonance with the provisions of the Act and the rules made thereunder.

3.3 For KMP and Senior Management Personnel, remuneration shall be based on the KRAs identified and the achievement thereof. The increments shall usually be linked to their performance as well performance of the company.

3.4 Other employees shall be paid remuneration as per the polices of the Company.

Review Frequency:

Unless otherwise required or if the situation so warrants, this document shall be reviewed annually and any amendment or modification therein shall be recommended by the NRC and shall be approved by the Board of Directors of the Company.

Change Control Record

Version No.	Change Request by	Memorandum of Change	Approval date
2.0	Mr. Debraj Sinha	To align with the policy of the Parent Company, Magma Fincorp Limited	25.07.2017

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Annexure – 1: Performance Evaluation Parameters:

Performance Evaluation Parameters are contained in four sub-schedules:

- Annexure – 1.1 – consisting of 1 questionnaire related to Board evaluation;
- Annexure – 1.2 – consisting of 1 questionnaire for evaluation of Board Committees;
- Annexure – 1.3 – consisting of 1 questionnaire as Director Survey Form;
- Annexure –1.4- consisting of 1 questionnaire as Chairman’s evaluation by Board.

Annexure – 1.1

PERFORMANCE OF BOARD

Note: To be submitted by each Director to the Chairman of NRC

Name of Director:

Date:

Sr. No	Particulars	*Score (1-5)
A)	<u>Composition and Quality</u>	
1	The Board is broad based	
2	Board members have the appropriate qualifications, skills, experience and knowledge	
3	The Independent Directors meet all applicable independence requirements	
4	The Board monitors compliance with corporate governance norms and other laws applicable to the Company	
B)	<u>Understanding Business including Risks</u>	
1	Directors have sufficient knowledge of the Company's businesses to enable them to fulfill their duties and obligations	
2	The Company keeps the Directors sufficiently informed on developments that affect their responsibilities (e.g. changes in company law)	
3	The Company’s management and internal control system is periodically reviewed for appropriateness and relevance	
C)	<u>Process and Procedure</u>	
1	The structure and content of the Board meeting agendas are appropriate	
2	Board documents and updates are received in a timely manner	
3	Board meetings are conducted effectively, with sufficient time spent on significant or emerging points	

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Sr. No	Particulars	*Score (1-5)
4	The agenda and related information are circulated in advance of the meetings to allow Board members sufficient time to study and understand	
5	The Board maintains adequate minutes of each meeting	
6	Board members come to meetings well prepared and the attendance at the meetings is satisfactory	
D)	<u>OVERSIGHT OF FINANCIAL REPORTING PROCESS INCLUDING INTERNAL CONTROLS AND AUDIT FUNCTIONS</u>	
1	The Board considers the quality and appropriateness of financial accounting and reporting including transparency of disclosures	
2	The Board reviews the Company's significant accounting policies	
3	The Board understands the coordination of work between independent and internal auditors and clearly articulates its expectations of each	
4	The Board appropriately considers the suggestions from the Audit Committee, internal audit reports, management's responses, risk framework and steps toward improvement	
5	The Board reviews the audit fees paid to the independent auditors	
6	The Board through Audit Committee reviews material related party transactions	
E)	<u>ETHICS AND COMPLIANCE</u>	
1	The Board is fully aware of the Company's code of conduct and has a well-developed sense of ethics	
2	Board members oversee the process and are notified of communications received from governmental and regulatory agencies related to alleged violations or areas of non-compliance	
3	The Board is fully engaged in Corporate Governance and regularly monitors the Company's performance in these areas and compliance with the Company's code of conduct	
F)	<u>MONITORING ACTIVITIES</u>	
1	An annual performance evaluation of the Board is conducted and any matters that require follow-up are resolved and presented to the Board	
Comments:		

*1=Unsatisfactory, 2= Performance needs improvement, 3= Satisfactory, 4= Good Performance, 5=Excellent

Signature:

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Annexure – 1.2

PERFORMANCE OF BOARD COMMITTEES

Note: To be submitted by each Director to the Chairman of NRC

Name of the Director:

Date:

Sr. No	Particulars	*Score (1-5)
1	The Committee composition is appropriate	
2	The Committee has a defined agenda	
3	Members of the Committee receive agenda in sufficient time which permits them to effectively consider issues to be dealt with	
4	The mandates of the Board to the Committee of all matters are clear and adequate	
5	The Committee allocates the right amount of time for its discussions	
6	The Committee minutes are placed before the Board on a regular basis	
7	Appropriate internal and external support or resources are available to the Committee	
Comments:		

*1= Unsatisfactory, 2= Performance needs improvement, 3= Satisfactory, 4= Good Performance, 5=Excellent

Signature:

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Annexure – 1.3

PERFORMANCE OF INDIVIDUAL DIRECTORS (Directors Survey Form)

Note: To be submitted by each Director to the Chairman of NRC

Name of the Director:

Date:

Sr. No	Particulars	Rank	Remarks, If any
1	I have full knowledge of Company strategy and objective and can monitor performance		
2	I understand my role as Director, as distinct from management		
3	In my view knowledge and experience of the Board have been adequately and productively used		
4	I have made efforts at professional development to enable better fulfillment of my responsibilities		
5	I come fully prepared for Board / Committee meetings		
6	I can question / critique proposals with confidence		
7	I have participated effectively and openly in Board discussions		
8	I keep stakeholder interest as my touchstone in endorsing decisions		

Rank on a scale of 1 (very poor) to 5 (Excellent) and / or provide remark.

Signature:

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Annexure- 1.4

EVALUATION OF CHAIRMAN

Note: To be submitted by each Director (excluding Chairman of the Company) to the Chairman of NRC

Name of the Director:

Date:

Sr. No	Particulars	*Score (1-5)
1	Chairman demonstrates effective leadership qualities and skills	
2	Implementation of observations/ recommendations of Board Members	
3	Effective and timely resolution of grievances of Board Members	
4	Ability to bring convergence in case of divergent views and conflict of interest situation tabled at Board meetings	
Comments		

*1= Unsatisfactory, 2= Performance needs improvement, 3= Satisfactory, 4= Good Performance, 5=Excellent

Signature:

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ANNEXURE 2: Tests for independence for Independent Directors:

1. The person should not be promoter of Magma Housing Finance Limited [Formerly, Magma Housing Finance (A Public Company with Unlimited Liability)] (hereinafter “the Company/Magma HFC”) or its Holding, subsidiary, or associate company;
2. The person should not be related to the promoters or directors or senior management in the Company, its Holding, subsidiary, or associate company;
3. Apart from receiving director’s remuneration, the person should not have or had any pecuniary relationship with the Company, its Holding, subsidiary or associate company, or their promoters/ directors/ senior management during the two immediately preceding financial years ;
4. None of the relatives of the person has or had pecuniary relationship or transaction with the Company, its Holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 lakh, whichever is lower, during the two immediately preceding financial years ;
5. Neither the person nor any of his relatives holds or has held the position of a key managerial personnel or is or has been employee of the Company or its Holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year ;
6. Neither the person nor any of his relatives is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of a firm of auditors or company secretaries in practice of the Company or its Holding, subsidiary or associate Company;
7. Neither the person nor any of his relatives is or has been an employee or proprietor or a partner, in any of the any legal or a consulting firm that has or had any transaction with the Company, its Holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
8. Neither the person nor any of his relatives hold together 2% or more of the total voting power of the Company;
9. Neither the person nor any of his relatives is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the Company, any of its promoters, directors or its Holding, subsidiary or associate company or that holds 2% or more of the total voting power of the Company;
10. The person should possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company’s business.

For the purpose of above tests:

- a. **"Associate"** shall mean a company which is an “associate” as defined in Accounting Standard (AS) 23, “Accounting for Investments in Associates in Consolidated Financial Statements”, issued by the Institute of Chartered Accountants of India.

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- b. **“Key Managerial Personnel”** shall mean “Key Managerial Personnel” as defined in section 2(51) of the Companies Act, 2013.
- c. **“Relative”** shall mean “relative” as defined in section 2(77) of the Companies Act, 2013 and rules prescribed there under.
- d. **“Senior management”** shall mean personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the executive directors. In Magma HFC’s context this would usually mean members of the ExC.

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ANNEXURE 3: Appointment Letter for Independent Directors:

Date:

To,
Mr./Ms.

Subject- Appointment Letter

Dear Sir,

We are pleased to inform you that the shareholders of the Company at the _____ General Meeting held on _____ have approved your appointment as an Independent Director of the Company. The terms of the appointment are set out below. It may please be noted that this is not a contract of employment.

1. TERMS OF APPOINTMENT:

- 1.1 As per the provisions of sub-section (10) of Section 149 of the Companies Act, 2013 (the Act) and in accordance with the resolution passed by the Shareholders at the _____ General Meeting held on _____, your appointment as Independent Director of the Company commences from _____ and will continue until the Annual General Meeting of the Company to be held for the Financial Year _____ (hereinafter “Term”).
- 1.2 Your appointment shall not be subject to rotation as per the provisions of sub-section (6) of Section 152 of the Act.
- 1.3 Your appointment as an Independent Director of the Company is based, inter alia, on declaration by you that you comply with the conditions of independence as listed in Section 149(6) of the Act, read with relevant rules. If there is any change in circumstances affecting your independence, you are requested to immediately let the Board of Directors know of the same, in terms of Section 149 (7) of the Act.
- 1.4 Your appointment shall terminate automatically upon expiry of the Term, or if you vacate your office in terms of Section 167 of the Act before expiry of the Term. You are requested to please note that the Act does not permit any compensation for termination of office under any circumstance.

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2. DUTIES

2.1 Code of Independent Directors of the Company (prepared in accordance with Schedule IV of the Act), states broadly the functions and duties expected to be discharged during your association with the Company as an independent director. Functions and duties listed out are inclusive and not exhaustive in nature and therefore should be allowed widest meaning and purport for the circumstances covered thereunder.

2.2 **Committees to be served-** Though currently you are not on any of the committee(s)/ sub-committee(s) of directors of the Company, however, the Board may, after following due procedure, request you to serve on such committee(s)/ sub-committee(s) as the Board may deem fit, considering best corporate governance practices, your experience, exposure and insight. The Board may, while recommending your name on any committee(s)/ sub-committee(s) forward you broad terms of reference of the said committee(s)/ sub-committee(s), which shall form the mandate statement for the said committee(s)/ sub-committee(s).

3. REMUNERATION

3.1 You will be entitled to such sitting fees for attending the Board or any Committee Meetings thereof as may be approved by the Board from time to time. Expenses incurred by you for the purpose of attending any meeting of the Board, or for participating through video conferencing, in accordance with norms set by the Board from time to time, will be reimbursed separately.

3.2 At present the Company does not remunerate any independent director by way of payment of commission. However, in future, should the Company alter the said policy, you will be entitled to a commission in accordance with the said revised policy, subject to recommendation by the Board of Directors and approval thereof by the shareholders of the Company. For the Term of this appointment or any extension thereof, the sitting fee and commission, if any, payable to you, will be reviewed annually by the Board.

3.3 During the Term, you are entitled, without prior notification to the Company, to seek appropriate independent legal advice in relation to Company matters at the expense of the Company as may be decided by the Board from time to time (including applicable taxes).

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4. GENERAL

4.1 Fiduciary duties and accompanying liabilities – The Company expects that you will perform your general fiduciary duties and exercise such skill and care as is expected of every Director. We would like to mention that, without express authorization of the Board, you shall not commit the Company in any manner, including by way of making any statements on the Company’s behalf or concerning the Company to the media, financial institutions or anyone associated with the stock market or investor community. Any views expressed by you without such express authorization by the Board shall be your personal views and the Company shall be entitled to issue a clarification to that effect, and take other protective measures as the situation would warrant.

You will be held liable, only in respect of such acts of omission or commission by a company which have occurred with your knowledge, attributable through Board processes, and with your consent (express or tacit) or where you have not acted diligently.

4.2 Directors and Officers (D and O) Insurance - You are entitled to the D & O Insurance cover as per the Company’s Directors’ and Officers’ liability insurance.

4.3 The Code of Business Ethics that the Company encourages its directors and employees to follow needs to be adhered to.

4.4 The Company expects that as a Director you shall not undertake such acts or deeds which would amount to breach of your duties towards the Company including but not limited to the following:

4.4.1 Any action that involves any violation of applicable law;

4.4.2 Any action that involves any breach, in letter and spirit, of the Company’s Code of Business Ethics;

4.4.3 Any action that either involves the directors’ personal interest except as disclosed as per applicable law, or unduly compromises or conflicts with the interest of the company.

4.5 We confirm that:-

a) you will be allowed full access to all information in or about the Company and its affairs which is available to the executive directors;

b) the senior management and the Board of Directors shall facilitate you to perform your role effectively as a Board member;

Subject: Remuneration Policy	Original Issue Date: 29.01.2015	Effective Date: 25.07.2017
	Revision Dates: 25.07.2017	Version No: 2.0

- c) agenda for Board meetings and all relevant papers which require study before Board meetings will be provided to you in good time (save in exceptional circumstances) to allow you to consider them in advance of meetings (and likewise for the proceedings of committees);

Yours sincerely,

For and on behalf of Magma Housing Finance Limited

Managing Director and Chief Executive Officer

DIN: _____

I agree to the terms and conditions set out above regarding my appointment as Independent Director of Magma Housing Finance Limited.

Mr. _____
Independent Director
(DIN: _____)

Date: _____