



MFL/CA/2014-15

30.10.2014

Mr. R.Kamalasanan Nair
25-167/Sivanevash,
Karekadu,
Suchindaram,
Tamil Nadu-629704.

Dear Sir,

Sub : Appointment of Independent Director.

We thank you for your confirmation to M/s Muthoot Fincorp Limited (the "Company") that you meet the "independence" criteria as envisaged in Section 149(6) of the Companies Act, 2013 and also for your consenting to hold office as an Independent director of the Company.

Your appointment is subject to the following:

A PRELIMINARY

1. During your tenure as an Independent Director, you will have to submit a declaration at the beginning of every Financial Year under Section 149 (7) of the Companies Act, 2013("Act") stating that you meet the criteria of Independence
2. 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.
3. So long as you are an Independent Director of the Company, you will ensure that you do not get disqualified to act as a Director pursuant to the provisions of Section 164 of the Act.
4. You will ensure compliance with other provisions of the Act as applicable to you as an Independent Director
5. The Independent Director shall abide by the 'Code for Independent Directors' as outlined in Schedule IV of the Act, and duties of directors as provided in the Act (including Section 166).

MUTHOOT FINCORP LIMITED

CIN : U65929KL1997PLC011518

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www.muthootfincorp.com

B TERM

Your Appointment is for a term of 5 years commencing from 01.11.2014.

C REMUNERATION

Eligible for Sitting fee as per the norms of the Company.

D COMMITTEES

a) Eligible for participating in the following committees to which you have already been appointed by the Board of Directors.

(i) Audit Committee.

(ii) Corporate Social Responsibility Committee

(iii) Nomination and Remuneration Committee.

(iv) Risk Management Committee

b) You are also eligible to participate in any other committees to which you may be appointed by the Board

E PERFORMANCE EVALUATION

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

F ROLES AND FUNCTIONS

1. help 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 in 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 themselves on (a) the integrity of financial information and (b) 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 role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management; and

8. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

G 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; and
3. The meeting will:
 - i. review the performance of non-independent directors and the Board as a whole;
 - ii. review the performance of the Chairperson of the company, taking into account the views of executive directors and nonexecutive directors; and
 - iii. 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.

H RESIGNATION/REMOVAL:

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;

I. YOU ARE EXPECTED TO:

- i. abide by the guidelines of professional conduct, role, function and duties as an Independent Directors provided in Schedule IV of the Companies Act, 2013.
- ii. stay updated on how best to discharge your roles, responsibilities, and duties and liabilities, as an Independent Director of the Company under applicable law, including keeping abreast of current changes and trends in economic, political, social, financial, legal and corporate governance practices
- iii. take decisions objectively and solely in the interest of the Company;
- iv. facilitate Company's adherence to high standards of ethics and corporate behavior;

- v. guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
- vi. 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;
- vii. guide the Board in ensuring the integrity of the Company'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.
- viii. 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.
- ix. act in accordance with the articles of the company
- x. 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 environment
- xi. 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.
- xii. Adhere Section 166 of the Companies Act, 2013
There could be occasions when the Independent Director may need professional advice in furtherance of his/her duties as a Director and it will be appropriate for the Independent Director to consult independent advisers at the Company's expense. The Company will reimburse the full cost incurred in accordance with the Company's policy.

J . ACCEPTANCE OF APPOINTMENT

We are confident that the Board and the Company will benefit immensely from your rich experience and we are eager to have you as an integral part of the growth of our Company. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

This appointment letter is issued based on the provisions of the Companies Act, 2013, Rules framed there under and other Regulations prevalent at the time of appointment. Any change in the above shall automatically entail changes in the terms and conditions.

We look forward for your valuable contribution and guidance to the growth of the company.

Yours faithfully

For and on behalf of the Board of Directors



Thomas John Muthoot
(Chairman & Managing Director)

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.



R Kamalasanan Nair
DIN:00631889