

## TERMS AND CONDITIONS OF APPOINTMENT OF MANAGING DIRECTOR & CEO

The terms and conditions of appointment of Managing Director & CEO as mentioned below is subject to the extant provisions of the applicable laws, including the Companies Act, 2013 and Listing Regulations, as amended from time to time:

Sr. No.	Name of Managing Director & CEO	From	To
1.	Shri Vinay Sah	12 <sup>th</sup> April, 2017	11 <sup>th</sup> April, 2020 or as decided by LIC of India subject to maximum of 5 years from 12 <sup>th</sup> April, 2017.

The broad terms and conditions of appointment Managing Director & CEO of the Company are as produced hereunder:

### Appointment

- a) The appointment as Managing Director & CEO on the Board of the Directors of the Company will be as per the period mentioned above which is subject to the provisions of the Companies Act, 2013 and applicable Rules.
- b) The appointment of Managing Director & CEO who is also a Key Managerial Personnel will be with effect from 12<sup>th</sup> April, 2017 for a period of 3 years or as decided by LIC of India from time to time, subject to maximum period of 5 years, on payment of such remuneration as decided by LIC of India and the Board of LIC Housing Finance Limited which will be within the limit as per the Companies Act, 2013 for the aforesaid period and subject to the approval of the shareholders in general meeting.
- c) Managing Director & CEO who is Executive Director would be paid remuneration as applicable to an Officer in the cadre of Executive Director of LIC of India.
- d) Apart from c) above, Managing Director & CEO would be entitled for Productivity Linked Incentive (PLI) as per criteria approved by the Nomination and Remuneration Committee of the Board.
- e) Should there be any revision in the pay scales of the Managing Director & CEO as per the charter decided by the LIC of India from time to time for its Executive Director, then the same would be applicable to the Managing Director & CEO of LIC Housing Finance Limited.
- f) The Managing Director & CEO may be requested to be a member / Chairman of any one or more Committees of the Board which may be constituted from time to time.

### Expectation

- a) The Managing Director & CEO is expected to bring objectivity and independence of view to the Board's discussion and to help provide 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 seven times in a year. The Audit Committee generally meets atleast six times in a year. Besides, there are other Committee meetings like Risk Management Committee, Executive Committee, Stakeholders Relationship Committee, Debenture Allotment

Committee, Corporate Social Responsibility Committee, HR Committee and Nomination & Remuneration Committee which are convened as per requirements. He is expected to attend meetings of Board and Board Committees to which he may be appointed and shareholders' meeting and to devote such time to his duties, as appropriate for him to discharge his duties effectively. All meetings including shareholders' meetings would be generally held in Mumbai.

### **Role and Duties**

- a) There are certain duties prescribed for all Directors which are fiduciary in nature and are as under:
  - i) He shall perform duties in accordance with the Company's Articles of Association as may be amended from time to time.
  - ii) He shall act in good faith in order to promote the objects of the Company for the benefits of its members as a whole, and in the best interest of the Company.
  - iii) He shall discharge his duties with due and reasonable care, skill and diligence.
  - iv) He shall not involve himself in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
  - v) He shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners or associates.
  - vi) He shall not assign his office as Director and any assignments so made shall be void.
  
- b) In addition to the above requirements, the Board of Directors also expects him to perform the following functions:
  - i) He should constructively challenge and help develop proposals on strategy for growth of the Company.
  - ii) He should evaluate the performance of Non-Executive Directors in meeting on agreed goals and objectives.
  - iii) He should satisfy himself on the integrity of financial information and that financial controls and systems or risk management are effective and defensible.
  - iv) He shall take responsibility for the processes for accurately reporting on performance and financial position of the Company.
  - v) He should keep governance and compliance with the applicable legislation and regulations under review and the conformity of Company's practices to accepted norms.

### **Insurance**

The Company has Director's and Officers' Liability Insurance and pay the premiums for the same. It is intended to maintain such insurance cover for the term of his appointment, subject to the terms of such policy in force from time to time.

### **Conflict of Interest**

In the event that the circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead, it should be disclosed to Board.

## **Performance Appraisal / Evaluation Process**

As member of the Board, his performance as well as the performance of the entire Board and its Committees would be evaluated annually. Evaluation of each director shall be done by all the other directors. The criteria for evaluation has been disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board / Committee.

## **Training and Development**

The Company may, conduct formal training programme for its Directors.

The Company may, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the Company and its business. The Company would fund / arrange for training on all matters which are common to the whole Board.

## **Code of Conduct**

During the appointment he would be required to comply with regulations as contained in the Companies Act, 2013, including the following codes of conduct of the company:

- a) Code of Conduct for Board of Directors and Senior Management
- b) Code of Conduct for prevention of Insider trading in securities of the Company and such other requirements as the Board of directors may from time to time specify.

## **Remuneration**

Managing Director & CEO would be paid remuneration as applicable to an Officer in the cadre of Executive Director of LIC of India. This apart, Managing Director & CEO would be entitled for Productivity Linked Incentive (PLI) as per criteria approved by the Nomination and Remuneration Committee of the Board.

Should there be any revision in the pay scales as per the charter decided by the LIC of India from time to time for its Executive Director, then the same would be applicable to the Managing Director & CEO of LIC Housing Finance Limited.

## **Reimbursement of Expenses**

In addition to the remuneration mentioned above, the Company will for the period of his appointment, bear all expenses for travel, accommodation and any out of pocket expenses for attending Board / Committee meetings, General Meetings, induction and training (organised by the Company for the Directors) seminar, conference, business meet incurred by him in the furtherance of his duties as Managing Director & CEO.

## **Disclosure, other directorships and business interests**

During his period of term of office of Director, he shall agree to promptly notify the Company of any change in his directorships, and provide such other disclosures and information as may be required under the applicable laws.