

Letter of Appointment

Date:

To

Mr.....

Address:.....

Dear Mr.,

Sub: Your appointment as an Independent Director of Toyota Financial Services India Limited

It is indeed a pleasure to welcome you as a Member of the Board of Directors ('the Board') of **Toyota Financial Services India Limited** (hereinafter 'TFSIN / the Company'). We are looking forward to your active engagement with the entire Board.

You are aware that the Board at its meeting held on, as per recommendation of the Nomination and Remuneration Committee (NRC) after conducting required due diligence relevant to your appointment and based on the declarations submitted by you and your consent to act as an Independent Director of TFSIN, considered and approved your appointment as an Additional Director (Category – Independent) of TFSIN, with effect from, subject to the following: -

- a) Your appointment as an Additional Director of TFSIN shall be effective from, upto the date of the ensuing Annual General Meeting (AGM).
- b) Your first term as an Independent Director of the Company, shall be for a period of year from up to (both days inclusive) and shall be subject to the approval of the Shareholders of TFSIN.

This letter sets out the terms of your appointment / reappointment as an Independent Director. Your relationship with TFSIN will be that of an office-holder and not one of contract for employment in the Company. The following are the terms of your appointment:

(a) Preliminary:

As an Independent Director of the Company, you will be required to discharge the duties and obligations as set out in the relevant provisions of the Companies Act, 2013, the RBI Regulations, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the rules, guidelines and circulars issued thereunder, from time to time and the Articles of Association of the Company. Your appointment is subject to the following conditions:

- During your tenure as an Independent Director, you will have to submit a declaration at the beginning of every Financial Year under Section 149 of the Companies Act, 2013 ("the Act"), SEBI Regulations and under Regulatory Framework for NBFCs prescribed by RBI stating that you meet the criteria of Independence and of being a Director of an NBFC.

- So long as you are an Independent Director of the Company, the number of companies in which you hold office as a Director, or a Chairman or Committee Member shall not exceed the limit stipulated under the Act / SEBI Regulations.
- So long as you are an Independent Director of the Company, you shall ensure that you do not get disqualified to act as a Director pursuant to the provisions of the Act and shall continue to be fit and proper to act as a Director under Regulatory Framework for NBFCs as may be specified by RBI from time to time.
- You will ensure compliance with other provisions of the Act, SEBI Regulations and RBI guidelines and circulars as may be applicable to you as an Independent Director.

(b) The tenure of appointment:

Your appointment is effective, and your current tenure shall be for year and you will be entitled to reappointment as an Independent Director subject to approval of the NRC, Board & Shareholders in AGM and shall not be subject to retirement by rotation.

Your appointment / reappointment shall be governed by our Directors appointment / reappointment Policy. As per Companies Act your maximum permissible tenure shall be two continuous terms from the date of your joining as a director, subject to approval of the NRC, Board and the Shareholders as stated above.

(c) The Board-level Committee(s) in which you will be expected to serve:

The Board of Directors may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee(s) that is set up in the future.

Your appointment / re-appointment on such Committee(s) will be subject to the applicable laws, rules and regulations

You shall serve on the Committee with the same diligence and commitment as a representative of the Board to ensure its working and proper functioning not only in accordance with law, but in keeping with the expectations of the stakeholders. Your membership to the Board Committee shall co-exist with your term as Independent Director and shall automatically come to an end at the cessation of your term or revocation of this offer, whichever is earlier.

(d) Time Commitment

As a Non-Executive Independent Director you are requested to endeavor to bring objectivity and independence of view to the Board's discussions and decision making and also to help the Board in taking effective and informed decisions in relation to the Company's strategy, planning, performance appraisal, risk management, governance, etc. and also in ensuring highest standards of financial integrity and corporate governance. The Board meets at least four times in a year. The Committee Meetings shall be held at such intervals as may be required. You are requested to attend Meetings of the Board and Committees on which you are a Member or you may be appointed as Member. You are also requested to attend General Meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively and independently. By accepting this appointment, you

confirm that you would be able to allocate sufficient time as is prudent and necessary for the proper performance of the role, duties and responsibilities as an Independent Director.

(e) The role, responsibility, and fiduciary duties expected from you along with the accompanying liabilities:

Your professional conduct on behalf of TFSIN shall be governed by the Independent Directors' Code of Conduct and TFSIN Employees Code of Conduct which covers areas such as General Standards of Conduct, Guidelines of professional conduct, your role & function, and your fiduciary duties & Liabilities, Conflict of Interest & confidentiality. The Independent Directors' Code of Conduct and TFSIN Employees Code of Conduct are attached in Annexure for your reference, noting and compliance. Some of your major duties & Liabilities include:

- You shall exercise your powers in good faith and in the interest of TFSIN and exercise reasonable skill and diligence in the discharge of your duties.
- You shall avoid direct or indirect personal involvement in any transaction of the TFSIN.
- You shall abide by the Toyota Code of Conduct, Code of Conduct of Prevention of Insider Trading and Code of Conduct applicable to Independent Directors.

(f) Restrictions:

The following is a list of restrictions to be observed during your tenure as a Director of TFSIN:

- You are advised not to interfere in the day to day functioning of TFSIN.
- It is expected that you will not serve on the Board of competing Companies which will include competing Companies of all Toyota Group Companies in the area of vehicle manufacturing and sales.
- You should not display the logo / distinctive design of TFSIN on the personal visiting cards / letter heads.
- You should not do anything, which will interfere with and / or be subversive of maintenance of discipline, good conduct and integrity of TFSIN.
- Unless specifically authorised by the Company, you shall not disclose company and business information to public constituencies such as the media, the financial community, employees, shareholders, agents, franchises, dealers, distributors and importers.
- Your obligation of confidentiality shall survive termination or cessation of your directorship with the Company.

(g) Conflict of Interest

It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment / re-appointment, you are required to declare your directorships, appointments and interests to the Board in writing in the prescribed form and also keep the information updated as and when required. You are also required to provide such other

information/declaration/documents pertaining to your interest in other entities as may be required pursuant to the applicable statutes. In the event that, in your judgment, circumstances seem to have changed and might give rise to a conflict of interest for you or, wherever applicable, circumstances that might lead the Board to revise its judgment that you are Independent, the same should be disclosed to the Board immediately.

(h) Disclosure of Interest

You shall disclose any material interest you may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed not later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or Company is acceptable.

(i) Directors and Officers (D and O) Liability Insurance Policy:

The Company maintains a Directors and Officers (D&O) Insurance Policy for the personal liability of its Directors, for claim(s) made against them while serving as a Director of the Company.

(j) Co-operation:

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your Term, you agree to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

(k) Confidentiality:

All information acquired during your appointment / re-appointment is confidential to the Company and should not be released, either during your appointment / re-appointment or following termination (by whatever means), to third parties without prior clearance from the Chairperson / the Company. Your attention is also drawn to the requirements under both legislation and regulation as to the disclosure of price sensitive information. Consequently, you should avoid making any statements that might risk a breach of these requirements without prior clearance from the Chairperson or Company Secretary.

(l) Remuneration:

As an Independent Director you shall be paid sitting fees for attending the meeting of the Board and the Committees as approved by the Board and/or Shareholders in compliance with the provisions of the Companies Act, 2013, SEBI Regulations and other rules, regulations and circulars prescribed by the Reserve Bank of India as amended from time to time. Presently, the Sitting Fee payable to you shall be INR for all the Board and Committee meetings held on a single day, irrespective of the number of Meetings held. You shall not be remunerated for attending the General Meetings of the Company; however, you may note that as per Companies Act, 2013, it shall be your duty to be present during the Annual General Meetings of the Company.

You shall also be eligible for reimbursement of any fair and reasonable expenses incurred by you for attending the Board/ Committee / General Meetings of TFSIN. This could include reimbursement of expenditure incurred by you for attending Board/ Committee meetings, Annual General Meetings, Extraordinary General Meetings, court convened meetings, meetings with Regulators/ shareholders/ creditors/ management, site visits, and in obtaining, subject to prior consultation with the Board, professional advice from independent advisors in the furtherance of your duties as an Independent Director.

You shall not be entitled to any Commission or Stock options of the Company.

(m) Evaluation

The Company shall carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis. Your appointment and re-appointment on the Board shall be subject to the outcome of the yearly evaluation process. Evaluation of each Director shall be done by all the other Directors. The criteria for evaluation shall be determined by the Nomination & Remuneration Committee and disclosed in the Company's Annual Report.

(n) Retirement & Termination:

Your Directorship on the Board shall terminate or cease in accordance with law. Apart from the Grounds of Termination as specified in the Act, your directorship may also be terminated for violation of any provision of Toyota Code of Conduct. You will not be entitled to any compensation for loss of office.

You may resign from the directorship of this company by giving a notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date of its receipt by the Company or the date specified by you in the Notice, whichever is earlier.

If at any stage during your term, there is any change that affects your status as an independent Director or you cease to be independent or cease to be qualified to be a Director of an NBFC in terms of any RBI directive, you agree to promptly submit your resignation to the Company with effect from the date of such change.

(o) Miscellaneous:

This letter represents the entire understanding, and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement, if any between yourself and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom. No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.

(p) 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.

In line with the provision of Schedule IV of the Companies Act, 2013, the terms and conditions of your appointment / re-appointment as Independent director shall be available to public and also be placed on the website of the Company.

(q) Governing Law

This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Bangalore courts.

We thank you for your continued support and commitment to the Company.

Thanking you,

Yours faithfully,

For Toyota Financial Services India limited

Managing Director & CEO

AGREE AND ACCEPT

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.

(Name)

Place: _____

Date:,