

MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED**Registered Office:** Gateway Building, Apollo Bunder, Mumbai - 400 001.**Website:** www.mahindrafinance.com • **email:** investorhelpline_mmfsfsl@mahindra.com

25th April, 2011

SPECIMEN

To,

The Members of

MAHINDRA & MAHINDRA FINANCIAL SERVICES LIMITED

The Board of Directors of the Company at its Meeting held on 25th April, 2011 has, pursuant to the approval of the Remuneration/ Compensation Committee of the Board and subject to the approval of the Members, approved the re-appointment of and the remuneration payable to Mr. Ramesh Iyer, Managing Director of the Company, for a period of five years with effect from 30th April, 2011.

In compliance with the requirements of section 302 of the Companies Act, 1956, an Abstract of the terms of his re-appointment and the remuneration payable together with the Memorandum of Concern or Interest is set out hereinbelow:

Salary : Rs. 2,35,000 per month in the scale of Rs. 2,35,000 to Rs.5,00,000 per month.

Perquisites:

In addition to the salary, the Managing Director shall also be entitled to the following perquisites in accordance with the Rules of the Company:

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| i. Housing | : Furnished / Unfurnished Residential accommodation or House Rent Allowance of upto 50% of Salary in lieu thereof. |
| ii. Medical Reimbursement | : As per the Company's Rules. |
| iii. Leave Travel Concession | : For the Managing Director and his family once in a year, incurred in accordance with the Company's Rules. |
| iv. Performance Award | : As per the Company's Rules. |
| v. Club Fees | : Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees. |
| vi. Encashment of leave | : Encashment of leave not availed of by the Managing Director as per the Company's Rules. |
| vii. Contribution to Funds | : Contributions to Provident Fund, Superannuation Fund, Annuity Fund, Gratuity / Contribution to Gratuity Fund as per the Company's Rules. |
| viii. Provision of car and telephone at the Managing Director's residence for his use | : Provision of car and telephone at the Managing Director's residence for his use as per the Company's Rules. |
| ix. Other amenities and benefits | : Such other benefits, amenities and facilities as per the Company's Rules. |
- The value of the perquisites would be evaluated as per Income-tax Rules, 1962 wherever applicable and at cost in the absence of any such Rule.
 - Contribution to Provident Fund, Superannuation Fund, Annuity Fund and Gratuity would not be included in the computation of ceiling on remuneration to the extent these either singly or put together are not taxable under the Income-tax Act, 1961.
 - Encashment of earned leave at the end of the tenure as per Rules of the Company shall not be included in the computation of ceiling on remuneration.
 - Provision for car for use on Company's business and telephone at residence would not be considered as perquisites.

Commission:

In addition to the salary and perquisites, the Managing Director would be entitled to such commission based on the net profits of the Company in any Financial Year not exceeding 1/4% of such profits as the Remuneration/Compensation Committee shall decide, having regard to the performance of the Company.

Minimum Remuneration:

Where in any Financial Year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company may pay to the Managing Director, remuneration by way of salary, perquisites and other allowances and benefits as specified above as the minimum remuneration for a period not exceeding three years from the date of appointment, subject to the receipt of the requisite approvals, if any.

The terms and conditions of the re-appointment of and the remuneration payable to the Managing Director may be varied, altered, increased, enhanced or widened from time to time by the Remuneration/Compensation Committee and the Board as it may in its discretion deem fit within the above limits and subject to the limits laid down in sections 198, 269, 309, 310, 311 and all other applicable provisions of the Companies Act, 1956 and the Rules framed thereunder read with Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, if necessary, and subject to the requisite approvals, if any, being obtained.

Memorandum of Interest:

Apart from Mr. Ramesh Iyer, Managing Director, who would be interested in his re-appointment and the remuneration payable to him, none of the other Directors is concerned or interested in the above matter.

By Order of the Board

For Mahindra & Mahindra Financial Services Limited

Arnavaz M. Pardiwalla
Company Secretary