

**SPECIMEN APPOINTMENT LETTER FOR INDEPENDENT DIRECTOR (Pursuant to Schedule IV of the Act)**

**Subject: Appointment as Independent Director under Companies Act, 2013.**

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**Dear Sir/ Madam,**

We have pleasure to appoint you as an independent Director of our Company as per resolution passed at the annual general meeting of the Company held on 29<sup>th</sup> September, 2015 on the terms and conditions stipulated hereunder:

**1. Terms of appointment:** Your appointment as an independent Director is for a period of five years with effect from 29<sup>th</sup> September, 2015 to 28<sup>th</sup> September, 2020.

**2. Expectation of the Board :**

As an independent Director you will:

- i. Help in bringing an independent judgment on the issue of strategy, performance, risk management, resources, key appointment and standard of conduct.
- ii. Bring an objective view in the evaluation of the performance of board and management
- iii. Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance
- iv. Satisfy yourself on the integrity of financial information and that financial control and the systems of risk management are robust and defensible;
- v. Safeguard the interests of all stakeholders, particularly the minority shareholders;
- vi. Balance the conflicting interest of the stakeholders;
- vii. Determine appropriate levels of remuneration of executive directors, key managerial personnel and senior

management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;

- viii. Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- ix. 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, its employees, the shareholders, the community and for the protection of environment.
- x. Exercise your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- xi. Not involve in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- xii. Not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates and if you are found guilty of making any undue gain, you be liable to pay an amount equal to that gain to the Company.

### **3. Duties as independent director:**

As an independent Director you will:

- i. Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company.
- ii. Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;

- iii. Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- iv. Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- v. Strive to attend the general meetings of the company;
- vi. Where you have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- vii. Keep yourself well informed about the company and the external environment in which it operates;
- viii. Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- ix. Pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure yourself that the same are in the interest of the company;
- x. Ascertain and ensure that the company has an adequate and functional vigil mechanism and ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- xi. Report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- xii. Assist in protecting the legitimate interests of the company, shareholders and its employees;
- xiii. 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.

- 4. You have also been appointed as Chairman of Audit Committee, Nomination & Remuneration Committee, CSR Committee and as a member of Stakeholder Relationship Committee.**
- 5. You will observe fiduciary duties along with liabilities as independent director.**
- 6. You will follow the code of business ethics.**
- 7. You will not do the business as this company is doing at present without the written permission of this company.**
- 8. You will be paid sitting fee of Rs.3000.00 per meeting for attending Board and committee meeting and reimbursement of expenses for participation in the Board and committee meeting.**

Regards,

Yours Faithfully

**For Gujarat Automotive Gears Ltd.**

**Rajiv Agarwal,  
Managing Director**