

**TERMS AND CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS**

Date: \_\_\_\_\_

To

(Name of the Independent Director(s)) (Address)

Dear Sir,

**SUBJECT: YOUR APPOINTMENT AS THE INDEPENDENT DIRECTOR OF HIRA AUTOMOBILES LIMITED**

We are pleased to inform you that the Shareholders of the Company at the 25th Annual General Meeting held on 30<sup>th</sup> September, 2014 have passed the Resolution for your appointment as an Independent Director of the Company pursuant to the provision stated under the Companies Act, 2013.

As per the requirements of the Act, the above is being formalized through this letter of appointment.

This letter sets out the terms of your appointment as an Independent Director. The terms of your appointment, as set out in this letter, are subject to the extant provisions of the:

- I. applicable laws, including the Act and Clause 49 of the Standard Listing Agreement, as amended from time to time (Listing Agreement) and;
- II. Articles of Association of the Company.

**A. PRELIMINARY YOUR APPOINTMENT IS SUBJECT TO THE FOLLOWING**

1. You will submit a declaration in the beginning of every financial year under section 149 (7) of the Act during your tenure stating that you meet the criteria of independence.
2. So long as you are independent director of the Company, the number of companies in which you hold office as a director or a chairman or committee member will not exceed the limit stipulated under the Act and the listing agreement.
3. So long as you are 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 and the listing agreement as applicable to you as an independent director.

**B. APPOINTMENT AND TERM THEREOF**

Your appointment is for a term of 5 years commencing from 30<sup>th</sup> September, 2014, up to 29<sup>th</sup> September, 2019. As an Independent Director, you will not be liable to retire by rotation. Re-appointment for the second term shall be based on recommendation of the Nomination & Remuneration Committee and subject to approval of the Board and the Shareholders. Your re-appointment would be considered by the Board, based on the outcome of the performance evaluation process and your continuing to meet independence criteria.

**C. COMMITTEE(S)**

Your appointment as member of any committee will be intimated to you when appointed by the Board.

**D. CODE OF CONDUCT AND DUTIES AND RESPONSIBILITIES**

1. You will abide by the Code of Conduct of the Company.
2. You will abide by the Guidelines of professional conduct, Role, Function and Duties as an independent director as provided in Schedule IV of the Companies Act, 2013.
3. You are expected to stay updated on how best to discharge your roles, responsibilities, and duties and liabilities, as an independent director of the Company under applicable law(s) and corporate governance practices.
4. You are expected to:
  - a. take decisions objectively and solely in the interests of the Company;
  - b. facilitate Company's adherence to high standards of ethics and corporate behavior;
  - c. guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
  - d. 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;
  - e. 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. We would also like to draw your attention to the applicability of Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992 and the Insider Trading Policy of the Company, which inter-alia prohibits disclosure or use of unpublished price sensitive information. You should not make any statement(s) that might risk a breach of the requirements specified under the said statute unless the same is required under any law or the same is required for the purpose of compliance of any direction, order, etc. issued/given by any judicial authority. Additionally, you shall not participate in any business activity which might impede the application of your independent judgment in the best interest of the Company.

**E. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Company shall, if required, familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the Company operates, business model of the Company, etc. through various programmes. The details of such familiarization programmes, if any, shall be disclosed on the Company's website and a web link thereto shall also be given in the Annual Report.

**F. PERFORMANCE APPRAISAL / EVALUATION PROCESS**

As a member of the Board, your performance shall be evaluated annually. Evaluation 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. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board/Committee.

**G. DISCLOSURES, OTHER DIRECTORSHIPS AND BUSINESS INTERESTS**

During the Term, you agree to promptly notify the Company of any change in your Directorships and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest

with your position as Independent Director of the Company, you shall promptly disclose the same to the Company.

**H. FEE/REMUNERATION**

1. You will be paid such remuneration by way of sitting fees for attending the meetings of the Board and the Committees as may be decided by the Board from time to time, subject to approval of the shareholders, if required.

2. You will be entitled to reimbursement of expenses incurred by you in connection with attending the Board meetings, Board Committee meetings, general meetings and in relation to the business of the Company towards hotel accommodation, travelling and other out-of-pocket expenses.

3. Pursuant to applicable law, you will not be entitled to any stock options. I. Directors & Officers (D&O) Insurance Presently, the Company has no D&O liability insurance policy. However, if the Company takes such a policy then a copy of the same will be supplied to you on request. 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.

Yours sincerely,

For **HIRA AUTOMOBILES LIMITED**

**CHAIRMAN AND MANAGING DIRECTOR**

**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.

Date: \_\_\_\_\_ Place: (Signatures)