

<Name and Address>

<Date>

Dear <Name of the Director>,

**Sub: Appointment as a Non-Executive Independent Director**

We are pleased to inform that the Board of Directors of JCB India Limited, in its meeting held on 3<sup>rd</sup> December, 2015 has approved your re-appointment as a Non- Executive Independent Director of the Company for a second term of three years (the “Re-Appointment”) as required in terms of provisions of Section 149(1) and 149(4) of Companies Act, 2013 and the applicable provisions of the Companies (Appointment and Qualification), Rules, 2014.

As required under section 149 (7) of the Companies Act, 2013, we would request you to provide a declaration to the effect that you meet the criteria of independence as provided under section 149(6).

Further, as stipulated under the Companies Act, 2013, the appointment of Independent Directors shall be governed by the Schedule IV to the Companies Act, 2013 - ‘Code For Independent Directors’, which primarily covers –

- I. Guidelines of professional conduct
- II. Role and functions
- III. Duties
- IV. Manner of appointment
- V. Re-appointment
- VI. Resignation or removal
- VII. Separate meetings
- VIII. Evaluation mechanism

This letter sets out the terms of your appointment as an Independent Director. Your relationship with the Company will be that of an independent director of the company and not one of contract for employment in the Company.

The terms of the Re-appointment, as set out below, shall be subject to the Companies Act, 2013, Rules made thereunder and the Articles of Association of the Company.

**Re-Appointment**

1. The Re-appointment shall be for a term of 3 (Three) years. The re-appointment will be subject to the approval of shareholders at the ensuing Annual General Meeting of the Company.
2. During your tenure as an Independent Director, you may be asked to serve on one or more of the Board committees. Copies of the terms of reference for each of those committees would be provided to you at the appropriate time, if not already provided for.
3. You will strictly abide by the Code for Independent Directors referred to above. A copy of the Code for Independent Directors is enclosed for your kind perusal and reference.

4. The Company expects a commitment of sufficient time and attention as necessary in order to perform your duties under the Re-appointment. This will include attendance at regular and emergency Board meetings, any annual meeting of Independent Directors and the Annual General Meeting. You may also be required to attend regular meetings of any Board committee of which you are a member. In addition, you will be expected to devote appropriate preparation time ahead of each meeting.

5. By accepting the re-appointment, you confirm that you are able to allocate sufficient time to perform your role.

### **Role & Duties**

6. As the Non-Executive Independent Director, you have the same general legal responsibilities to the Company as any other Director, except that you shall be held liable only in respect of such acts of omission or commission by a company which had occurred with your knowledge, attributable through board processes and with your consent or connivance or where you had not acted diligently.

7. You will adhere to the following duties of directors, which are more specifically stipulated in Section 166 of the Companies Act, 2013, as under –

- (a) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
- (b) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (c) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (d) A director of a company shall not involve 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.
- (e) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (f) A director of a company shall not assign his office and any assignment so made shall be void.

### **Fees / Commission**

8. Unless decide otherwise, you shall be paid a remuneration of Rs. 12 lakhs (Rs. Twelve Lakhs Only) per annum, to be paid annually by the Company by way of fee/ commission.

### **Reimbursement of Expenses**

9. In addition to the fee described in 8 above, the Company will reimburse you for all reasonable and properly documented expenses you incur in performing your role. You may submit any details of expenses incurred to the Company Secretary.

### **Other directorships and business interests**

10. The Company acknowledges that you may have business interests other than those of the Company and that you may have declared any conflicts that are apparent at present. In the event that you become aware of any potential conflicts of interest, not declared so far, these may be disclosed to the Company Secretary as soon as they become apparent.

11. During the Re-appointment, you may please inform us prior to accepting any other (or further) directorships of companies or any major external appointments, to avoid any conflict of interest with your current position in the Company.

### **Code of Conduct & other compliances**

12. During the Appointment, you will comply with any relevant regulations as may be issued by the Government of India and such other authorized bodies as set up by the Government on its behalf, including the Code for Independent Directors and such other requirements as the Board of Directors may from time to time specify.

13. At the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect your status as an independent director, you shall give a declaration to that effect confirming that you meet the criteria of independence as provided in Section 149 (6).

### **Confidentiality**

14. You must apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the Re-appointment or at any time after its termination) any confidential information concerning the Company and any Group Companies with which you come into contact by virtue of your position as a Non-Executive Independent Director of the Company.

15. Your attention is 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 Chairman or Company Secretary.

16. On termination of the Appointment, you will deliver to the Company all books, document, papers and other property of or relating to the business of the Company which are in your possession, custody or power by virtue of your position as a Non-Executive Independent Director of the Company.

### **Performance Review Process**

17. The performance of individual Directors and the whole Board and its Committees shall be evaluated by the Nomination & Remuneration. If, in the interim, there are any matters arising in connection with your role as a Non-Executive Independent Director which cause you concern, you may discuss with us as soon as appropriate.

### **Publication of the letter of Re- appointment**

18. In line with the provisions of the Companies Act, 2013, the Company may make public a generic copy of this letter on its website at [www.jcb.com](http://www.jcb.com) and the same shall be open for inspection at the registered office of the company by any member during normal business hours.

This letter is governed by, and shall be construed in accordance with, the laws of India, and the parties agree to submit to the exclusive jurisdiction of the courts of New Delhi, India.

This letter constitutes neither a contract for services nor a service contract.

Please confirm your agreement to the above by signing and returning to me the enclosed duplicate of this letter.

Yours sincerely,  
For **JCB India Limited**

**Managing Director & CEO**