

## **TERMS & CONDITIONS OF APPOINTMENT OF INDEPENDENT DIRECTORS**

Dear **Independent Director**,

It gives me immense pleasure to inform you that at the [•] Annual General Meeting of the Company, held on [•], the Shareholders of the Company has approved your appointment as a Non-Executive Independent Director ("Independent Director") of the Company.

This Letter of Appointment sets out the terms and conditions covering your appointment, which are as follows:

### **1. Term of Office**

- a. As an Independent Director, you will serve for a term of five (5) consecutive years w.e.f. [•]
- b. The Company is at liberty to disengage Independent Director earlier, subject to compliance of relevant provisions of the Act.
- c. The term Independent Director should be construed as defined under the Act and the SEBI Regulations

### **2. Committees**

The Board of Directors (the Board) may, if it deems fit, appoint you on one or more existing Board Committees or any such Committee that is set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations. Currently, the Board has the following Committees:

1. Audit Committee
2. Stakeholders Relationship Committee
3. Nomination and Remuneration Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee
6. Executive Committee

**SML ISUZU Limited**

**Regd. Office & Works:**

Village : Asron, Distt. Shahid Bhagat Singh Nagar (Nawanshahar) Punjab - 144533

T +91 1881 270255 F +91 1881 270223

Corporate Office : 204-205, Sector 34-A, Chandigarh - 160135

T +91 172 2647700-10 F +91 172 2615111 W [www.smlisuzu.com](http://www.smlisuzu.com) CIN L50101PB1983PLC005516

Trucks & Buses

### 3. Role and Duties

Your role and duties will be as specified for an Independent Director under the Act and the SEBI Regulations. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- i. You shall act in accordance with the Company's Articles of Association.
- ii. You 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 interest of the Company.
- iii. You shall discharge your duties with due and reasonable care, skill and diligence.
- iv. You shall not involve yourself 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.
- v. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- vi. You shall not assign your office as Director and any assignments so made shall be void.

Further, the Independent Directors are also required to:

- a. Abide by the provisions of '**Code for Independent Directors**' as provided in Schedule IV of the Act, a copy of which is annexed herewith.
- b. Follow the Company's Code of Ethics & Conduct applicable to all the Directors & senior level employees of the Company. The Code is available on the website of the Company [www.smlisuzu.com](http://www.smlisuzu.com).

### 4. Time Commitment

- a. In performance of your role and duties effectively, as set out at 3 above, you will be expected to attend Board and Committee Meetings, to which you are already a member or you may be appointed, and Shareholders' meetings and to devote such time as may be appropriate. You will be given advance notice of the dates of the Board, Committee and General Meetings.
- b. You will allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

### 5. Status of Appointment

You will not be an employee of the Company and this letter shall not constitute a contract of employment.

**SML ISUZU Limited**

**Regd. Office & Works:**

Village : Asron, Distt. Shahid Bhagat Singh Nagar (Nawanshahar) Punjab - 144533

T +91 1881 270255 F +91 1881 270223

Corporate Office : 204-205, Sector 34-A, Chandigarh - 160135

T +91 172 2647700-10 F +91 172 2615111 W [www.smlisuzu.com](http://www.smlisuzu.com) CIN L50101PB1983PLC005516

Trucks & Buses

## 6. Remuneration

You will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board from time to time. Further, you may also be paid remuneration by way of commission/otherwise as may be approved by the Board and the Shareholders of the Company from time to time within the limits specified under the provisions of the Act

## 7. Reimbursement of Expenses

In addition to the remuneration described in paragraph 6 above, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duly.

## 8. Conflict of Interest

- a. It is accepted and acknowledged that you may have business interests other than those of the Company. You are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed format at the time of your appointment.
- b. In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgment that you are independent, this should be disclosed to the Company.

## 9. Confidentiality

- a. Any information acquired during your tenure is confidential to the Company and should not be released, either during or after your appointment term to third parties unless required by law. On reasonable request, you shall surrender any documents and other materials made available to you by the Company.
- b. Your attention is also drawn to the requirements under the applicable regulations and the SMLISUZU Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons, which concern the disclosure of price sensitive information and dealing in the securities of SMLISUZU. Consequently, you should avoid making any statements or performing any transactions that might risk a breach of these requirements.

### SML ISUZU Limited

#### Regd. Office & Works:

Village : Asron, Distt. Shahid Bhagat Singh Nagar (Nawanshahar) Punjab - 144533

T +91 1881 270255 F +91 1881 270223

Corporate Office : 204-205, Sector 34-A, Chandigarh - 160135

T +91 172 2647700-10 F +91 172 2615111 W [www.smlisuzu.com](http://www.smlisuzu.com) CIN L50101PB1983PLC005516

## 10. Induction

The Company will arrange an induction session for all the Independent Directors to meet the requirements of the Act / SEBI Regulations.

## 11. Performance Evaluation

Your performance evaluation shall be done by the Board of Directors annually, without your participation. You will participate in reviewing the performance of other directors and the Board as a whole including Committees thereof.

## 12. Provision for Directors and Officers (D&O) Insurance

The Company maintains a Directors and Officers Liability Insurance Policy

## 13. Disclosure of Interest

The Company is required to include in its Annual Report to the Shareholders a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed before entering such transaction or arrangement. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

## 14. Termination

- a. You may resign from your position at any time subject to the compliance with the provisions of the Act and / or SEBI Regulations.
- b. Your appointment may also be terminated in accordance with the provisions of the Act and / or the Articles of Association of the Company.

## 15. Publication

As required under the Act, the terms and conditions of appointment of Independent Directors shall also be posted on the Company's website and shall be open for inspection at the Registered Office of the Company by Shareholders during normal business hours.

### SML ISUZU Limited

#### Regd. Office & Works:

Village : Asron, Distt. Shahid Bhagat Singh Nagar (Nawanshahar) Punjab - 144533

T +91 1881 270255 F +91 1881 270223

Corporate Office : 204-205, Sector 34-A, Chandigarh - 160135

T +91 172 2647700-10 F +91 172 2615111 W [www.smlisuzu.com](http://www.smlisuzu.com) CIN L50101PB1983PLC005516

## 16. General

All the terms as mentioned above including your tenure of appointment, remuneration, professional conduct, role and duties and performance evaluation shall be governed by the Companies Act, 2013 and Rules made thereunder (or any statutory modification(s) thereof) and Corporate Governance requirements under SEBI Regulations, as amended from time to time

This Letter of Appointment is governed by and will be interpreted in accordance with Indian Law and your engagement shall be subject to the jurisdiction of the Indian courts.

The aforesaid terms and conditions of your appointment may be varied from time to time in accordance with amendments to the Act and SEBI Regulations, and any other applicable legislations, if any.

Yours sincerely,

For and on behalf of the Board

*Managing Director & CEO*

**SML ISUZU Limited**

**Regd. Office & Works:**

Village : Asron, Distt. Shahid Bhagat Singh Nagar (Nawanshahar) Punjab - 144533

T +91 1881 270255 F +91 1881 270223

Corporate Office : 204-205, Sector 34-A, Chandigarh - 160135

T +91 172 2647700-10 F +91 172 2615111 W [www.smlisuzu.com](http://www.smlisuzu.com) CIN L50101PB1983PLC005516

Trucks & Buses