

Terms and conditions of appointment of Independent Directors of the Company in accordance with the requirements of Schedule IV to the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

Mr. / Mrs. (Name of Non Executive Independent Director)
(Address of Non Executive Independent Director)

We, on behalf of **Balkrishna Industries Limited** ("BIL") write to inform that you are appointed as a Non-Executive Independent Director on the Board of Directors of BIL with effect from (*Date of Appointment*) in terms of the approval of your appointment by the Board of Directors and subsequent approval of the shareholders obtained at the General Meeting held on (*Date of General Meeting*) as per the provisions of Sections 149, 150 and 152 read with Schedule IV of the Companies Act, 2013 ("Act") and applicable Regulation of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") as amended from time to time. This letter of appointment sets out the terms and conditions covering your appointment which are as follows:

1. Term of Appointment

- A. Your appointment will be for one term of 5 (five) consecutive years, during which period they shall not be liable to retire by rotation and may be further re-elected by the shareholders in accordance with Act and Listing Regulations as may be amended from time to time.
- B. Your appointment and continuation is subject to the maximum permissible Directorships that one can hold as per the applicable provisions of the Act and rules thereunder and Listing Regulations as amended from time to time.
- C. The term Independent Director should be construed as defined under Section 149 of Act and Regulation 16 of the Listing Regulations.
- D. The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Act and the Listing Regulations. The Company is at liberty to disengage Non Executive Independent Director earlier subject to compliance of relevant provisions of Act.
- E. Your performance shall be evaluated by the Board annually.

2. Committees

- A. During the Appointment, the Independent Director may be required to serve on one or more of the committees of the Board as decided by the Board.
- B. The Board shall look forward to your active participation in the Board and Committee Meetings and facilitate to bring independent judgment to the Board.

3. Roles, Duties & Responsibilities

- A. The Independent Director will perform his fiduciary duties in a responsible manner and his general legal responsibilities to the Company will be at par with a Non-Executive Director.
- B. The Independent Director shall act in accordance with the Articles of Association of the Company and while discharging his duties, comply with the requirements of Section 166 and Schedule IV of Act and also Listing Regulations and also be accountability under the Director Responsibility Statement.
- C. The Independent Director will be required to comply with applicable provisions of Company's "Code of Conduct and Business Ethics for Directors and Senior Management" and also "Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders" or any other code of conduct as may be framed by the Board of Directors of the Company. Directors are prohibited from dealing in the Company's securities during the period when the trading window is closed.
- D. The Independent Director will be held liable only in respect of such acts of omission or commission by the Company which have occurred with his knowledge, attributable through Board processes, and with his consent or where he has not acted diligently.
- E. During the term of Appointment, (a) he will neither enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the shares of the Company; and (b) he will not enter into any such agreement referred to in (a) above without obtaining the prior approval from the Board of Directors as well as public shareholders of the Company.
- F. The Independent Director agrees that both during and after the term of Appointment, he will not use for his own, or for another's benefit, or disclose or permit the disclosure of any confidential information relating to the Company, subsidiary or any group or associate companies of the Company, which he may acquire by virtue of his position as an Independent Director, including without limitation, any information about the deliberations of the Board.
- G. The Independent Director 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.

4. Time and Commitment

- A. The Independent Director shall devote such time as is prudent and necessary for the proper performance of role, duties and responsibilities as an Independent Director.
- B. By accepting the Appointment, the Independent Director confirms that he / she will be able to allocate sufficient time to perform his /her duties as a Director and attend meetings of the Board or any committee thereof.

5. Remuneration

- A. The Independent Director will be paid such remuneration by way of sitting fees for attending each meeting of the Board or any committee thereof or any meeting of any Independent Director, as may be decided by the Board.
- B. Further, Independent Director will also be paid remuneration by way of commission as may be approved by the Board within an overall ceiling approved by the Shareholders.
- C. The payment of sitting fees will be within the limits mandated under the Act and Rules made thereunder as amended from time to time.
- D. In addition to the remuneration described above, the Company will reimburse Independent Director, or bear and pay, all travel, accommodation or other expenses incurred as a result of him carrying out his duties as a Director.

6. Directors and Officers (D&O) Insurance

The Company has Directors' and Officers' ("D & O") liability Insurance and it is intended to maintain such cover for the full term of Appointment.

7. Training and Development

- A. The Independent Director will be invited to attend training and familiarization sessions for Directors including site visits.
- B. The Board members are provided with necessary documents / brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices.
- C. Periodic presentations are made at the Board and Board Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. The Company will fund/arrange for training on all matters which are common to the whole Board.

8. Evaluation Process

Their performance as an Independent Director shall be evaluated as per Nomination and Remuneration Policy of the Company, as amended from time to time, also as per the criteria laid down by the Nomination and Remuneration Committee.

9. Disclosures, other Directorships and Business interests

- A. During the term of Appointment, the Independent Directors are expected not to take up directorship in any company (whether in India or abroad) engaged in the same or similar businesses as that of the Company or in a company, business or undertaking which competes or is likely to compete with the Company or which could otherwise potentially give rise to a conflict

with his duties with the Company. In the event that the Independent Director becomes aware of any potential conflicts of interest, he /she shall promptly disclose the same to the Chairman and the Company Secretary.

- B. Independent Director shall promptly notify the Company of any change in their directorships, and provide such other disclosures and information as may be required under the Act and Listing Regulations or any other applicable laws as amended from time to time.
- C. The Company must include in its Annual Accounts 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 no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately.
- D. During the term, Independent Director shall provide a declaration under Section 149(7) of the Act, upon any change in circumstances which may affect your status as an Independent Director.
- E. During the Term, Independent Director shall promptly intimate the Company Secretary and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

10. Disengagement

Independent Director may cease to hold the office of a Director by:

- (a) giving written notice of resignation to the Company as well as to the Ministry of Company Affairs; or
- (b) on the happening of an event mentioned in the Act or Listing Regulations, or in the Articles of Association of the Company, as amended from time to time, that results in vacation of office of a director;
- (c) on removal pursuant to the provisions of the Act.

11. Contract

It is agreed that this is a contract for services and is not a contract of employment. There will be no relationship of employer and employee as a consequence of appointment as a Director of the Company.

This agreement 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 letter of appointment will be issued under the authority of the Board.

Your Sincerely,

For and on behalf of Balkrishna Industries Limited

Arvind Poddar
Chairman and Managing Director
DIN:00089984

I hereby acknowledge receipt of and accept the terms set out in this letter.

Signed

Dated