

Date

**Name of Independent Director**

Address

**Sub: Appointment as an Independent Director**

On behalf of Board of Directors of PPAP Automotive Limited, I am pleased to inform that you have been appointed as an Independent Director of the Company, to hold office up to \_\_\_\_\_.

The letter of appointment sets out the terms and conditions of your appointment which are as follows:-

**1. Appointment**

- a. You are appointed as an Independent Director of the Company pursuant to the provisions of the Companies Act, 2013 and the Listing Agreement.
- b. In compliance to the provisions of Section 149(13) of the Companies Act, 2013, your directorship is not subject to retirement by rotation.
- c. During your tenure as an Independent Director, you are required to submit a declaration at the beginning of every Financial Year under Section 149(7) of the Companies Act, 2013 ("Act") stating that you meet the criteria of Independence.

**2. Committees**

The Board of Directors (the "Board") may, if it deems fit, invite you for being appointed on any 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.

**3. Expectation of the Board from the appointee**

You will be expected to devote such time as is necessary for the proper performance of your duties and as an Independent Director you will be involved in a number of Board and Committee Meetings each year. You should strive to attend all the scheduled quarterly Board Meetings, General Meetings, Committees Meetings and other meetings or attendance as necessary.

As an Independent Director you should strive to hold and present in at least one meeting in a year without the presence of Non-Independent Directors and members of management.

Duties and Functions of the Independent Director as defined under the Companies Act, 2013 are listed in Annexure-I.

By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

#### **4. Fiduciary Duties**

You shall:

- a. Uphold ethical standards of integrity and probity;
- b. Act objectively and constructively while exercising your duties;
- c. Exercising your responsibilities in a *bona fide* manner in the best interest of the Company;
- d. Devote sufficient time and attention to your professional obligations for informed and balanced decision making;
- e. Not allow any extraneous considerations that will vitiate your exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- f. Not abuse your position to the detriment of the Company or its shareholders or the purpose of gaining direct or indirect personal advantage for any associated person;
- g. Refrain from any action that would lead to loss of your independence;
- h. Where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board accordingly;
- i. Assist the Company in implementing the best Corporate Governance Practices;
- j. Not assign your office and any assignment so made shall be void.

#### **5. Conflict of Interest**

By accepting this appointment you shall be deemed to have confirmed that you shall not be involved in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the best interest of the Company.

In the event that any circumstances might give rise to a conflict of interest or your status of independence, this should be disclosed to both the Managing Director and Company Secretary.

#### **6. Remuneration**

You will be paid sitting fee for attending the meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time.

In addition to the sitting fee, the Company will reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

#### **7. Evaluation Mechanism**

- a. The performance evaluation of Independent Directors shall be done by the entire Board of Directors, excluding the Director being evaluated.
- b. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

## **8. Termination**

You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice to the Board.

Notwithstanding other provisions of this letter, the appointment may be terminated in accordance of the Articles of Association of the Company or the Companies Act, 2013.

Upon termination or your resignation for any reason, duly intimated to the Board, you will not be entitled to any compensation for loss of office.

## **9. Liability**

As an Independent Director you will be liable only in respect of such acts of omission or commission by the Company which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you had not acted diligently.

## **10. Applicable Law**

This letter of appointment shall be governed by the Laws of India.

Your sincerely  
For **PPAP Automotive Limited**

**Ajay Kumar Jain**  
Chairman and Managing Director

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

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**Signature of Independent Director**

**Roles, functions and Duties of Independent Director:**

**A) Role and functions:**

- 1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- 2) bring an objective view in the evaluation of the performance of board and management;
- 3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- 5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- 6) balance the conflicting interest of the stakeholders;
- 7) 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;
- 8) Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

**B) Duties :**

The Independent Directors shall—

- 1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 2) 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;
- 3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- 4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 5) strive to attend the general meetings of the company;
- 6) where they 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;
- 7) keep themselves well informed about the company and the external environment in which it operates;

- 8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- 10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- 11) report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- 12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 13) 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.