



KIRLOSKAR PNEUMATIC COMPANY LIMITED

A Kirloskar Group Company

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Date:

Mr / Ms _____

Address: _____

Dear Mr / Ms ,

Sub: Appointment / Re - appointment as a Non-Executive Independent Director of
Kirloskar Pneumatic Company Limited

It gives me pleasure to inform you on behalf of the Board of Directors of Kirloskar Pneumatic Company Limited ("KPCL / Company") that the Board of Directors of the Company, on the recommendation of the Nomination and Remuneration Committee, has approved your appointment / re - appointment as a Non- Executive Independent Director (Additional, or otherwise, as the case may be) on the Board of Directors of KPCL with effect from _____, subject to the approval of Shareholders. This Letter of Appointment sets out the terms and conditions covering your appointment / re - appointment, which are as follows:

1. Term of Office:

- a. The Company has adopted the provisions with respect to appointment / re - appointment and tenure of Independent Directors, which are consistent with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR, Regulations, 2015"). As an Independent Director you will serve for a term of ____ (____) consecutive years with effect from _____.
- b. The term Independent Director should be construed as defined under the Companies Act, 2013 and the LODR, Regulations, 2015.
- c. You are eligible to be appointed / re – appointed as an Independent Director for a term as per the recommendation of the Nomination and Remuneration





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Committee and the passing of an ordinary / special resolution, as the case may be to this effect by the Shareholders of the Company.

2. Committees

The Board of Directors may, if it deems fit, invite you for being appointed 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.

3. Role and Duties

Your role and duties will be those normally required of a Non-executive Independent Director under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015). The same are set out in detail in the Code of Conduct for Directors and Senior Management. A copy of this Code is attached as **Annexure A**. You shall completely abide by this Code during your term as a Non-executive Independent Director and you are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective guidance in relation to the Company's strategy, performance and risk management as well as ensuring high standards of financial probity and corporate governance.

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 may be appointed and Shareholders' meetings and to devote such time as may be appropriate. You will be given adequate advance notice of the dates of the Board, Committee and General Meetings.
- b. 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.



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5. Status of Appointment

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

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 will also be paid remuneration by way of commission as may be approved by the Board and Shareholders from time to time.

Payment of sitting fees and commission shall at all times be subject to the provisions of the Companies Act, 2013 and Rules thereunder and such amendments, as may be made thereto from time to time and other Acts and Rules as may be applicable.

7. Reimbursement of Expenses

Unless the Company has not made any necessary arrangement, in addition to the remuneration described in paragraph 6, the Company will, for the period of your appointment, reimburse you for all reasonable and documented expenses such as for travel (business class), hotel and other incidental expenses incurred by you in the performance of your role and duty.

8. Conflict of Interest

- a. It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment/ re - appointment commencing, you are required to declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment / re - 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



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to revise its judgment that you are independent, this should be disclosed to both the Chairman and the Company Secretary.

9. Confidentiality

- a. All information acquired during your appointment / re-appointment is confidential to KPCL and should not be released, either during your appointment/ re-appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by KPCL.
- b. Your attention is also drawn to the requirements under the applicable regulations and the Code of Internal Procedures and Conduct for regulating, monitoring and reporting of trading by insiders of KPCL, which concern the disclosure of price sensitive information and dealing in the securities of KPCL. Consequently, you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Secretary. A copy of the said Code of Internal Procedures and Conduct for regulating, monitoring and reporting of trading by insiders of Kirloskar Pneumatic Company Limited is attached as **Annexure B**, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of Kirloskar Pneumatic Company Limited containing Policy on Determination of Legitimate Purpose and Policy & Procedure for Inquiry in Case of Leak or Suspected Leak of Unpublished Price Sensitive Information (UPSI) is attached as **Annexure C**. You are required to be compliant with it all times during your tenure.

10. Induction

The management will organize training program(s) for the members of the Board, as and when required.



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11. Evaluation

The performance of the Board, the Committees of the Board and individual Directors, including Chairman of the Board will be evaluated on an annual basis. Your appointment and / or re-appointment on the Board shall be subject to the outcome of such evaluation.

12. Insurance

The Company may obtain a Directors' & Officers' Liability Insurance Policy for you. Details of the same will be provided by the Company Secretary as and when such a policy is taken by the Company.

13. Independent Professional Advice

There may be occasions when you consider that you need professional advice in furtherance of your duties as a Non-Executive Independent Director and it will be appropriate for you to consult independent advisers at the Company's expense. The Company will reimburse the full cost of expenditure incurred.

14. Termination

- a. You may resign from your position at any time should you wish to do so.
- b. Continuation of your appointment / re-appointment is contingent on your getting elected by the shareholders in accordance with the Companies Act, 2013 and the Articles of Association of the Company, from time to time. You will not be entitled to compensation if the shareholders do not elect you at any time.
- c. Your appointment / re-appointment may also be terminated in accordance with the provisions of the Companies Act, 2013, LODR Regulations, and / or the Articles of Association of the Company.



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15. Governing Law

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

16. Publication of the letter of Appointment / Re-appointment

In line with the provisions of the Companies Act, 2013, the Company may make public generic copy of this letter on its website www.kirloskarpneumatic.com and the same shall be open for the inspection at the registered office of the Company by any member during normal business hours.

If you are willing to accept these terms of appointment / re- appointment relating to your appointment / re- appointment as a Non-Executive Independent Director of KPCL, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

The aforesaid terms and conditions of your appointment / re- appointment may be varied from time to time in accordance with amendments to the Act, and any other applicable legislation, if any.

Thanking you,

Yours sincerely,
For Kirloskar Pneumatic Company Limited

Chairman

Encl.: As above