To,

Dear .............,

The Board of Directors of SKF India Limited (Company) is pleased to appoint you as an Independent Director on the Board of the Company with effect from 18th July, 2014.

Your appointment is governed by the terms and conditions given below:

1. **APPOINTMENT**

   In accordance with the provisions of the Companies Act, 2013 and other applicable laws, you will serve as an Independent Director of the Board with effect from 18th July, 2014.

   Your appointment is subject to:
   - Approval of the Shareholders as per the provisions of the Companies Act, 2013.
   - You remaining compliant with the provisions of the Companies Act 2013 and the Listing Rules regarding appointment and qualifications / disqualifications of independent directors.

2. **TERM OF OFFICE**

   Your appointment is for a period of 5 years from the date of appointment.

3. **BOARD COMMITTEES**

   As advised by the Board, during the tenure of office, you may be required to serve on one or more committees of the Board established by the Board. Upon your
appointment in any one or more Committee(s), you will be provided with appropriate Committee Charter which sets out the functions of that Committee.

Your appointment on such Committee(s) will be subject to the applicable regulations.

4. DUTIES, ROLES AND RESPONSIBILITIES

Your duties shall be as specified in Sec 166 of the Companies Act, 2013 - viz

a. The directors will act in accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the company.

b. They 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, its shareholders, the community and for the protection of environment.

c. The directors of the company shall exercise their duties with due and reasonable care, skill and diligence and shall exercise independent judgement.

d. A director shall not involve in a situation in which he/ she may have a direct or indirect interest that conflicts or possibly may conflict with the interest of the company.

e. A director shall not achieve or attempt to achieve any undue gain or advantage either to himself / herself or his / her relatives, partners or associates.

f. A director of a company shall not assign his office to any other person.

In addition, you shall abide by the “code for Independent directors “as specified in Schedule IV of the Companies Act, 2013 read with Sec 149 (8), relevant extracts of which are enclosed as Annexure 1 to this letter.
5. STATUS OF APPOINTMENT

You will not be an employee of the Company and this letter shall not constitute a contract of employment. 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 entitled to remuneration by way of commission as may be approved by the Board and the shareholders, subject to the provisions of the Articles of Association of the Company, Companies Act and the Listing Agreement.

As an Independent Director you shall not be entitled to any stock options and shall not be covered by any pension scheme.

6. REIMBURSEMENT OF EXPENSES

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

There may be occasions when you consider that you need professional advice in furtherance of your duties as an Independent Director and it will be appropriate for you to consult independent advisors at the Company’s expense. The Company will reimburse the full cost of expenditure incurred in accordance with the Company’s policy.

7. CONFIDENTIALITY AND ACCESS TO COMPANY RECORDS

All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the
Letter of Appointment

Board unless required by law or by the rules of any stock exchange or regulatory body.

8. INDUCTION AND TRAINING

Immediately after your appointment, you will be invited to attend an initial induction session and, thereafter, ongoing training and familiarisation sessions, including briefings from management and site visits. Please avail yourself of these opportunities as fully as is appropriate to your personal circumstances.

Where possible, Directors will be encouraged to attend special training courses by various professional bodies to ensure that Directors are refreshed and equipped to perform their role in the highest standard and performance possible.

9. DEALING IN SHARES AND PREVENTION OF INSIDER TRADING FOR EMPLOYEES, INCLUDING DIRECTORS AND CODE OF BUSINESS ETHICS

Directors are prohibited from dealing in the Company's shares during the period when the trading window is closed.

You are required to comply with the applicable Insider Trading Laws and Regulations and code of Business ethics policy followed by the Company.

10. DISCLOSURE OF INFORMATION

You may be required to submit certain information, in accordance with the prevailing laws, in prescribed forms to the Company. The coordinating officer for this shall be the Company Secretary.
You will be required at the first Board meeting in which you participate as a director and thereafter at the first Board meeting of the Board in every financial year or whenever there is a change in the circumstances which may affect your status as an independent director to give a declaration that you meet the criteria of independence as defined in Sec 149 (6)

11. INSURANCE
The Company maintains a Directors and Officers Insurance Policy (D and O Insurance Policy) to pay for personal liability of Directors and Officers for claims made against them while serving on the Board and / or as an Officer of the Company.

It is intended that the Company will maintain such coverage for the full term of your appointment

12. RETIREMENT POLICY
The Company policy stipulates that all independent directors shall retire upon attaining the age of 75 years. The Board may, at its discretion, amend the tenure of a retiring director.

13. GOVERNING LAW
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.

It is a pleasure to have you on the Board. I am confident that your association, expertise and advice will immensely benefit the Company and the Board.
Letter of Appointment

Kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Yours sincerely,

For and on behalf of SKF India Ltd

________________________________________
Chairman / Director
Annexure I
SCHEDULE IV
[See section 149(8)]
CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An independent director shall:
1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising his duties;
3. exercise his responsibilities in a bona fide manner in the interest of the company;
4. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate his 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;
6. not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
7. refrain from any action that would lead to loss of his independence;
8. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
9. assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:
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. scrutinise 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
Ill. 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 behaviour, 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.

IV. Manner of appointment:

(1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
(2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
(3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils
the conditions specified in the Act and the rules made thereunder and that the
proposed director is independent of the management.

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(4) The appointment of independent directors shall be formalised through a letter of
appointment, which shall set out:
(a) the term of appointment;
(b) the expectation of the Board from the appointed director; the Board-level
committee(s) in which the director is expected to serve and its tasks;
(c) the fiduciary duties that come with such an appointment along with
accompanying liabilities;
(d) provision for Directors and Officers (D and O) insurance, if any;
(e) the Code of Business Ethics that the company expects its directors and
employees to follow;
(f) the list of actions that a director should not do while functioning as such in
the company; and
(g) the remuneration, mentioning periodic fees, reimbursement of expenses for
participation in the Boards and other meetings and profit related commission,
if any.

(5) The terms and conditions of appointment of independent directors shall be
open for inspection at the registered office of the company by any member
during normal business hours.

(6) The terms and conditions of appointment of independent directors shall also be
posted on the company’s website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of
performance evaluation.

VI. Resignation or removal:

(1) The resignation or removal of an independent director shall be in the same
manner as is provided in sections 168 and 169 of the Act.

(2) An independent director who resigns or is removed from the Board of the
company shall be replaced by a new independent director within a period of not
more than one hundred and eighty days from the date of such resignation or
removal, as the case may be.

(3) Where the company fulfils the requirement of independent directors in its Board
even without filling the vacancy created by such resignation or removal, as the
case may be, the requirement of replacement by a new independent director shall
not apply.

VII. Separate meetings:

(1) The independent directors of the company shall hold at least one meeting in a
year, without the attendance of non-independent directors and members of
management;

(2) All the independent directors of the company shall strive to be present at such
meeting;

(3) The meeting shall:
(a) review the performance of non-independent directors and the Board as a
whole;
(b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
(c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

(1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
(2) 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.