

## Letter of Appointment

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

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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

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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.

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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.

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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

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Chairman / Director