



UNIPARTS INDIA LIMITED

Terms and conditions of appointment of
Independent Directors

1. Tenure of Appointment of Independent Directors:

- a) Appointment is valid for a term of maximum 5 years from the date of appointment (“**Term**”).
- b) Independent Directors are not liable to retire by rotation.
- c) Re-appointment at the end of the Term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the Shareholders. The re-appointment would be considered by the Board based on the outcome of the performance evaluation process and satisfaction of independence criteria.
- d) The code for Independent Directors will be as per Schedule IV read with Section 149(8) of the Companies Act, 2013.
- e) The Independent Director is an independent non-executive director and will be identified as such in the annual report and other documentation of the Company. If circumstances change, and he/she believes that his/her independence will be in doubt, Independent Director should discuss the same with the Chairman of the Company as soon as practicable.

2. Committees of the Board –

Independent Directors may be appointed as Member/Chairman of one or more existing or Committees of the Board or any such Committees set up in future.

3. Time Commitment

- a) Independent Directors are expected to bring objectivity and independence to the Board and help to provide the Board with effective leadership in relation to the Company’s strategy, performance and risk management as well as ensuring high standards of financial probity and corporate governance.
- b) Independent Directors are expected to attend the meetings of the Board of Directors, Board Committees and Shareholders meetings of the Company.
- c) Independent Directors to devote such time as is prudent and necessary for the proper performance of their roles, duties and responsibilities as an independent director.

4. Role, functions and duties –

The role, functions and duties will be those normally required of a Non-Executive Independent Director under the applicable laws. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature, including but not limited as specified hereunder:

- i. Shall act in accordance with the memorandum of association and articles of

- association of the Company;
- ii. 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, its employees, the shareholders, the community and the protection of the environment;
 - iii. Shall discharge the duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
 - iv. Shall not involve in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
 - v. Shall not achieve or attempt to achieve any undue gain or advantage directly or to relatives, partners or associates;
 - vi. Shall not assign the office as Director and any assignments so made shall be void;
 - vii. Shall abide by the Code of Conduct for Directors and Senior Management of the Company which includes the Code for Independent Directors' as outlined in Schedule IV of the Companies Act, 2013;
 - viii. Shall abide by Code of Conduct for Prevention of Insider Trading of the Company;
 - ix. Shall be collectively responsible along with other directors for meeting the objectives of the Board which include:
 - Requirements under the Companies Act 2013 and rules thereunder;
 - Responsibilities of the Board as outlined in Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be applicable;
 - Accountability under the Directors' Responsibility Statement;
 - Overseeing the Company's contribution to enhancing the quality of life of communities.

5. Conflict of Interest –

It is accepted and acknowledged that Independent Directors may have business interests other than those of the Company. Independent Directors are required to declare any such directorships, appointments and interests to the Board in the prescribed form at the time of their appointment.

6. Fees

Independent Directors shall be entitled to:

- a) Sitting fees for attending the meetings of the Board and its Committees, as may be decided by the Board of Directors of the Company from time to time;
- b) Commission (unless waived in writing) as the Board of Directors may determine from time to time. The Commission will be divided amongst the directors in such proportion as may be determined by the Board of Directors from time to time and upon a failure of such determination, equally, however, such commission shall not exceed 1% of the



net profits of the Company in any financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof.; and

- c) Reimbursement of travel, hotel and other incidental expenses incurred by the Independent Directors in the performance of their role and duties. This could include reimbursement of expenditure incurred for attending Board and its Committee Meetings, Annual General Meetings, Extraordinary General Meetings, Court convened Meetings, other Meetings of the Shareholders/Creditors/Management, site visits, induction and training (organized by the Company for Directors) and in obtaining, subject to the prior consultation of the Board, professional advice from the independent advisors in furtherance of the duties as Independent Director.

7. Restrictions:

During the term of Appointment, an Independent Director shall not serve as (a) an independent director in more than the prescribed number of companies and (b) a committee member of more than the prescribed number of committees including chairmanship of such committees.

During the term of Appointment, (a) Independent Director will neither enter into any agreement for himself/herself 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) Independent Director 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.

8. Training and Development

(a) The Independent Director will be invited to attend ongoing 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 Committee meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved.

(d) Updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to Directors.

9. Stock Options –

Independent Director is not eligible to participate in Stock Options schemes of the

Company.

10. Evaluation –

The Board had established a 'Board Performance Evaluation Mechanism'. The performance of the Directors, Chairperson and the Board as a whole shall be evaluated at least once in a year. The evaluation process will be used constructively as a mechanism to improve board effectiveness, maximize strength and tackle weakness. Appointment and re-appointment of a director on the Board shall be subject to the outcome of the yearly evaluation process.

11. Insurance –

The Company has a Directors' and Officers' Liability Insurance policies in place under which all directors of the Company are covered.

12. Disclosures, other directorships and business interests-

Independent directors are required to promptly provide /notify the following to the Company:-

- a) disclosures, declarations, and information as may be required under applicable laws including a declaration under Section 149 (7) of the Companies Act, 2013 and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time;
- b) any changes in the directorships or any change in circumstances that may affect the status as an Independent Director;
- c) any changes in address or other contact and personal details; and
- d) disclosures, documents, information and certificates as may be required for the proposed IPO of the Company.

13. Governing Law:

The Appointment and the terms are governed by the laws of India.

14. Authority

The letter of appointment will be issued under the authority of the Board.

15. Termination

- a) The directorship on the Board of the Company shall terminate or cease in accordance with law. Apart from the grounds of termination as specified in the Companies Act,



2013, the directorship may be terminated for violation of any of the provisions of Code of Conduct for Directors and Senior Management of the Company.

- b) Independent Director may resign from the directorship of the Company by giving the notice in writing to the Company stating the reasons for resignation. The resignation shall take effect from the date on which the notice is received by the Company or the date specified in the notice, whichever is later.
