

Date

To,

(Name of the independent Director (s))

(Address)

Sub :- **Appointment as an Independent Director of GNA Axles Limited**

Dear Mr. (Name of Director) ,

I am pleased to inform you that your have been appointment as Non – Executive Independent Director on the Board of Directors of the Company w.e.f 10th June 2015 pursuant to the provisions of the Companies Act, 2013. This letter of appointment sets out the terms and conditions of your appointment, which are as follows :

1. APPOINTMENT

Your appointment as a Non-Executive Independent Director on the Board of Directors (Board) of the Company will be for an initial term of ----- years and shall take effect from June 10, 2015, unless terminated earlier or extended as per the provisions of this letter or applicable laws.

Your appointment is subject to the provisions of the Companies Act, 2013 and Articles of Association of the Company and the listing agreement to be entered upon by the Company with Stock Exchanges upon listing. You shall not be liable to retire by rotation as per the relevant provisions of the Companies Act. 2013.

The Company has adopted the provisions with respect to appointment and term of independent Directors, which in consistent with the Act and Listing Agreement.

2. TIME COMMITMENT

As a Non – Executive Independent Director you expected to bring objectivity and independence of view to the Board’s discussions and to provide help to the Board with effective leadership in relation to the company’s strategy , performance , and risk management as well as ensuing high standards of financial probity and corporate governance . The Board generally meets four to five times in a year. The Audit committee generally meets four times in a year and other Board Committee like Nomination and Remuneration committee and Sub-committee of Directors meeting are ordinarily convened as per requirements. You will be expected to attend Board and Board Committees to which you may be appointed and shareholders Meeting and to devote such time to your duties, as appropriate for you to discharge your duties effectively.

3. ROLES, DUTIES AND FUNCTIONS

Directors are in essence trustees and have fiduciary duties towards the shareholders. The general obligations and liabilities of a Directors are based on common law principles.

Your role and duties will be those normally required of a Non – Executive Independent Director under the Act and the Listing Agreement. There are certain duties prescribed for all Directors, both Executive and Non – Executive , which are fiduciary in nature and the same are specified under section 166 of the Act as under :

- i. You shall act in accordance with the Company’s Articles of Association.
- ii. You 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.
- iii. You shall discharge your duties with due and reasonable care , skill and diligence.
- iv. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- v. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- vi. You shall not assign your office as Director and any assignment so made shall be void.

4. BOARD COMMITTEE

The Board may, if it deems fit , invite you for being appointed on one or more existing Board Committees or any such Committee that may be set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations. Accordingly, You have been appointed on the following Committees of the Board:

<u>S.No</u>	<u>COMMITTEE</u>	<u>DESIGNATION</u>

5. CODE OF CONDUCT

During the appointment you are required to comply with regulations as contained in Schedule IV under companies Act, 2013 and Listing Agreement, including the following codes of conduct of the company:

- i. Code of Conduct for Board of Directors and Senior Management of the Company ; and

- ii. Code for prevention of insider Trading and such other requirements as the Board of Directors may specify from time to time.

You will apply the highest standards of confidentiality and not disclose to any person or company (whether during the course of the tenure as Independent Director or at any time after its cessation) any confidential information concerning the Company including any subsidiary or associate thereof with which you come into contact by virtue of your position as a Director, except as permitted by law or with prior clearance from the Chairman of the Board.

6. DISCLOSURE OF INTERESTS

During the Term, You agree to promptly notify the Company of any change in your Directorships and provide such other disclosures and information as may be required under the applicable laws. You also agree that upon becoming aware of any potential conflict of interest with your position as independent Director of the Company, you shall promptly disclose the same to the company.

During your Term, you agree to promptly provide a declaration under section 149(7) of the Act, upon any change in circumstances which may affect your status as an independent Director.

7. DIRECTORS'S FEES

You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid a sitting fee of Rs.6000/- Per meeting for attending meetings of the Board and Rs. 4000/- per meeting for attending the meetings of its Committees as may be decided by the Board and as per the provisions of Section 197 of the Companies Act,2013.

Further, the Company may pay or reimburse to you such fare and reasonable expenditure, as may have been incurred by you while performing your role as an independent Director of the Company.

8. PERFORMANCE EVALUATION

The provisions contained in the Companies Act,2013 and the Listing Agreement will apply as regards performance evaluation of Independent Directors is concerned. The performance of Independent Directors shall be evaluated by the entire Board of Directors, excluding the Director being evaluated. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of your appointment as an independent Director.

9. RE-APPOINTMENT AND RESIGNATION

- i. Re-appointment for the second term shall be based on recommendation of the Nomination and Remuneration Committee and subject to approval of the Board and the shareholders. Your re-appointment would be considered by the Board, based on

- the outcome of the performance evaluation process and your continuing to meet independence criteria.
- ii. 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. Further , in terms of provisions of the Companies Act,2013 , you are required to file a copy of your resignation letter with the Registrar of Companies.
 - iii. Notwithstanding other provisions of this letter, the appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined in section 149(6) or on the occurrence of any event as defined in Section 167 of the Companies Act , 2013.

10. GENERAL

This letter and any non-contractual obligations arising out of or in connection with the Letter are governed by, and shall be construed in accordance with the laws of india , and the parties agree to submit to the exclusive jurisdiction of the courts of Jalandhar.

We are confident that the Board and the Company will benefit immensely from your rich experience . We are sure that with your continued guidance and supports, the Company will be able to accomplish its goals and objectives. If these terms of appointment are acceptable to you, please confirm your acceptance by signing and returning the enclosed copy of this letter.

Yours Sincerely,

For **GNA AXLES LIMITED**

RANBIR SINGH
PRESIDENT & CEO