

Date:

To

Name

Address

Dear Sir/Madam,

**Sub: Appointment/Re-appointment as an Independent Director**

I am pleased to inform you that you have been appointed as Independent Director of Timken India Limited (hereinafter referred as 'TIL or the Company) subject to approval of Shareholders of the Company. This letter sets out the terms and conditions of your appointment.

**1. Appointment**

In accordance with the Companies Act, 2013 and other applicable provisions of law if any, you will serve as an Independent Director of the Company for a period of \_\_\_\_ years with effect from \_\_\_\_\_.

**2. Board Committees**

You may be required to serve upon one or more Committees of the Board. Upon your appointment to any one or more Committees, you will be given the charter which sets out the functions of the Committee. Presently the Board has five Committees namely, Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (CSR) Committee and Risk Management Committee.

The Board is responsible for constituting the Committees and fixing terms of service for Committee members. The decisions of the Committees will be recommended to the Board for its approval.

### **3. Time Commitment**

- 3.1 As a Non-Executive Director you are expected to bring objectivity and independence of view to the Board's discussions and to help 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. The Board meets at least four times in a year. The Audit Committee generally meets at least four times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee meetings which are ordinarily convened as and when required as per applicable provisions of law. You will be expected to attend meetings of the Board, its Committees to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.
- 3.2 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.

### **4. Role and Duties**

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or other applicable laws if any. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- a. You shall act in accordance with the Company's Articles of Association.
- b. 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.
- c. You shall discharge your duties with due and reasonable care, skill and diligence.
- d. 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.
- e. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- f. You shall not assign your office as Director and any assignments so made shall be void.

In addition to the above requirements applicable to all Directors, the role of the Non-Executive Director has the following key elements:

- Strategy:** Non-Executive Directors should constructively challenge and help to develop proposals on strategy;
- Performance:** Non-Executive Directors should scrutinize the performance of management in meeting agreed goals and objectives;
- Risk:** Non-Executive Directors should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
- People:** Non-Executive Directors are responsible for determining appropriate levels of remuneration of Executive Directors and have a prime role in appointing, and where necessary, removing Executive Directors and in succession planning;
- Reporting:** Non-Executive Directors take responsibility for the processes for accurately reporting on performance and the financial position of TIL; and
- Compliance:** Non-Executive Directors should keep governance and compliance with the applicable legislations and regulations under review and the conformity of TIL practices to accepted norms.

You shall also strictly adhere to the guidelines, roles and functions and duties as an Independent Director prescribed in Schedule IV to the Companies Act, 2013 and Standards of Business Ethics Policy – Code of Conduct of the Company.

## **5. Status of Appointment**

- 5.1 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 in terms of the applicable provisions of the Companies Act, 2013 and Rules made thereunder.
- 5.2 The sitting fees presently paid to the Non-Executive Independent Director is Rs.75,000/- per meeting of the Board and meeting of Independent Directors and Rs.60,000/- per meeting of the Committee thereof.

## **6. Reimbursement of Expenses**

In addition to the remuneration described in paragraph 5, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

## **7. Conflict of Interest**

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

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

## **8. Confidentiality**

All information acquired by you is confidential to TIL and should not be released, either during your tenure or following separation (by whatever means) to third parties without prior clearance in writing 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 TIL. Your attention is also drawn to the requirements under the applicable regulations and the TIL Insider Trading Code which concern the disclosure of price sensitive information and dealing in the securities of TIL. 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 Company Secretary.

## **9. Induction**

You may be required to attend induction sessions, ongoing training and familiarization sessions, including briefings from management and site visits as and when required and arranged by the Company. Please avail yourself of these opportunities as fully as is appropriate to your personal circumstances.

## **10. Evaluation**

The Company has adopted a Nomination and Remuneration Policy. The Policy will provide for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. As per the Policy, the Company will carry out an evaluation of the performance of the Board as a whole, its Committees and Directors on an annual basis. Your re-appointment on the Board shall be subject to the outcome of the yearly evaluation process.

## **11. Independent Professional Advice**

There may be occasions when you consider that you need professional advice in furtherance of your duties as a 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 in accordance with the Company's policy. The Company may take Directors and Officers Insurance Policy for the Board of Directors at its own cost.

## **12. Disclosure of Interest**

The Company is required to disclose any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.

## **13. Termination**

- a) 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 on the Board.
- b) Continuation of your appointment is contingent on your getting elected by the Shareholders in accordance with provisions of the Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not elect you at any time.
- c) Your appointment may also be terminated in accordance with applicable provisions of law.

#### **14. Governing Law**

This letter is governed by and is subject to and will be interpreted in accordance with Indian laws and your engagement shall be subject to the exclusive jurisdiction of courts at Bangalore.

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

#### **15. Miscellaneous**

In terms of the relevant provisions of law:

- (a) The terms and conditions of your appointment will be posted onto Company's website;
- (b) Your appointment will be open for inspection to the members of the Company and
- (c) You shall attend meeting constituted exclusively for Independent Directors and shall evaluate the performance of Non-independent Directors.

Yours sincerely,

**For and on behalf of Timken India Limited**

**Sanjay Koul**  
**Chairman & Managing Director**

**Accepted by**

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