



Kalyani Forge Limited

KOREGAON BHIMA, -412 216, TEHSIL SIRUR DIST. PUNE.
☎ : (02137) 252335, 252755, 252757 FAX : (02137) 252344 / 252756.
www.kalyaniforge.co.in



Date –

To,
Name & Address of Independent Director

Dear Sir,

Subject: Appointment as an Independent Director of our Company

We thank you for your confirmation that you meet the “**Independence**” criteria as envisaged in Section 149(6) of the Act.

As per the requirements of the Act, the aforesaid matter is being formalized through this letter of appointment.

This letter sets out the terms and conditions covering your appointment which are follows :

1. APPOINTMENT AND TERM:

Your appointment as a Non-Executive Independent Director on the Board of Directors (“**Board**”) of Kalyani Forge Limited will be for an initial term of ____ years w.e.f _____ upto _____. The word “**term**” should be construed as defined under the Act and the Listing Regulations. As an Independent Director, you will not be liable to retire by rotation. The Company has adopted the provisions with respect to appointment and term of Independent Directors, which is consistent with the Act and the Listing Regulations.

Re-appointment for the second term shall be based on recommendation of the Nomination & 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 the criteria prescribed for Independent Directors.

2. BOARD COMMITTEES:

Your appointment on Board Committee(s) is subject to the applicable regulations. You are expected to attend Board Committees Meetings, to which you are appointed and to devote such time as may be necessary to discharge your duties effectively. Ordinarily all meetings are held in Pune, unless determined otherwise. Recommendations/Minutes of the Meetings of the Committees are submitted to the Board for approval. 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.

CIN : L28910MH1979PLC020959

REGD OFFICE: Shangrila Gardens, 1st Floor, ‘C’ Wing, Opp. Bund Garden, Pune : 411001



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3. ROLE, DUTIES AND RESPONSIBILITIES:

Your role and duties will be those normally required of a Non-Executive Independent Director under the Act and the Listing Regulations. There are certain duties prescribed for all Directors, both Executive and Non- Executive, which are fiduciary in nature and the same are specified under the Act. In addition to the above requirements, you are also required to discharge the duties, roles and functions as applicable to Independent Directors as stated under Schedule IV to the Act, as in force and as may be amended from time to time. Such duties and responsibilities as per Schedule IV are stated as below:

• Roles & Functions :

As an Independent Director, you shall-

- a) 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;
- b) Bring an objective view in the evaluation of the performance of board and management;
- c) Scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d) Satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- e) Safeguard the interests of all stakeholders, particularly the minority shareholders;
- f) Balance the conflicting interest of the stakeholders;
- g) 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;
- h) Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

• Duties :

As an Independent Director, you shall-

- a) Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;

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- b) 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;
- c) Strive to attend all meetings of the Board of Directors and of the Board committees of which you are a member;
- d) Participate constructively and actively in the committees of the Board in which you are chairperson or member;
- e) Strive to attend the general meetings of the company;
- f) 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;
- g) Keep themselves well informed about the company and the external environment in which it operates;
- h) Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i) 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;
- j) 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;
- k) Report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- l) Act within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- m) 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.

While performing such duties, roles and functions, you will be required to abide by the '**Guidelines of Professional Conduct**' as stated under the said Schedule IV as mentioned below:

- **Guidelines of Professional Conduct:**

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As an Independent Director, you shall –

- a) Uphold ethical standards of integrity and probity;
- b) Act objectively and constructively while exercising his duties;
- c) Exercise his responsibilities in a *bona fide* manner in the interest of the company;
- d) Devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- e) 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;
- f) 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.
- g) Refrain from any action that would lead to loss of his independence;
- h) Where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- i) Assist the company in implementing the best corporate governance practices.

4. DIRECTORS & OFFICERS (D&O) INSURANCE:

Presently, the Company has no D&O liability insurance policy. However, if the Company takes such a policy then a copy of the same will be supplied to you on request.

5. CODE OF CONDUCT / EXCLUDED ACTIONS:

You will follow the Code of Conduct of the Company and furnish annual affirmation of the same. 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 Chairperson of the Board.

We would also like to draw your attention to the applicability of SEBI (Prohibition of Insider Trading) Regulation, 2015, which *inter-alia* prohibits disclosure or use of unpublished price sensitive information. You should not make any statement(s) that might risk a breach of the requirements specified under the said statute unless the same is required under any law or the same is required for the purpose of compliance of any direction, order, etc. issued/given by any judicial authority. Additionally, you shall not participate in any business activity which might impede the

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application of your independent judgment in the best interest of the Company.

6. INDUCTION AND DEVELOPMENT:

The Company shall, if required, conduct formal induction program for its Independent Directors. The Company shall, as may be required, support Directors to continually update their skills and knowledge and improve their familiarity with the Company and its business.

The Company will fund/arrange for training on all matters which are common to the whole Board.

7. PERFORMANCE APPRAISAL / EVALUATION PROCESS:

As a member of the Board, your performance shall be evaluated annually. Evaluation shall be done by all the other Directors. The criteria for evaluation shall be determined by the Nomination & Remuneration Committee and disclosed in the Company's Annual Report. However, the actual evaluation process shall remain confidential and shall be a constructive mechanism to improve the effectiveness of the Board/Committee.

8. DISCLOSURES, OTHER DIRECTORSHIPS AND BUSINESS 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. Please confirm that as on date of this letter, you have no such conflict of interest issues with your existing Directorships, if any. During your Term, you agree to promptly provide a declaration under Section 149(7) of the Act, upon any change incircumstances which may affect your status as an Independent Director.

9. CHANGES OF PERSONAL DETAILS:

During the Term, you shall promptly intimate the Company and the Registrar of Companies in the prescribed manner, of any change in address or other contact and personal details provided to the Company.

10. REMUNERATION / FEES:

You will be paid such remuneration by way of sitting fees for attending the meetings of the Board and the Committees as may be decided by the Board from time to time, subject to approval of the shareholders, if required.

In addition to sitting fees, profit related commission may also be payable to you. In determining the amount of this commission, the Nomination and Remuneration Committee may consider various factors as it deems fit.

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

11. TERMINATION:

Your Directorship on the Board of the Company shall terminate or cease in accordance with applicable law. Apart from the grounds of termination as specified in the Act, your Directorship may be terminated for violation of any provision of the Code of Conduct of the Company. You may resign from the Directorship of the Company in the same manner as is provided under the Act by giving a 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, if any, specified by you in the notice, whichever is later. If, at any stage during the term, there is a change that may affect your status as an Independent.

Director as envisaged in Section 149(6) of the Act, or if applicable, you fail to meet the criteria for “**independence**” under the applicable provisions, you agree to promptly submit your resignation to the Company with effect from the date of such change.

12. CO-OPERATION:

In the event of any claim or litigation against the Company, based upon any alleged conduct, act or omission on your part during your Term, you agree to render all reasonable assistance and cooperation to the Company and provide such information and documents as are necessary and reasonably requested by the Company or its counsel.

13. GOVERNING LAW:

This document is governed by and will be interpreted in accordance with Indian Law. The courts of Pune – India alone, to the exclusion of any other, shall have jurisdiction in this regard.

14. MISCELLANEOUS:

- This letter represents the entire understanding, and constitutes the whole agreement, in relation to your appointment and supersedes any previous agreement between yourself and the Company with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom.
- No waiver or modification of this letter shall be valid unless made in writing and signed by you and the Company.

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KALYANI FORGE LTD
REGISTERED TO
ISO/TS : 16949 : 2002
FILE NUMBER : A10090-01

We are confident that the Board and the Company will benefit immensely from your rich experience and we are eager to have you as an integral part of the growth of our Company.

For **Kalyani Forge Limited**,

.....

Rohini G. Kalyani
Executive Chairperson

AGREE AND ACCEPT:

I have read and understood the terms of my appointment as an Independent Director of the Company and I hereby affirm my acceptance to the same.

Signature:

DATE:
PLACE:

Name:
DIN:
Director

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