

## **Terms and Conditions of Appointment of Independent Director** (Pursuant to the provisions of Schedule IV of the Companies Act)

The terms and conditions of appointment of the Independent Directors of M/s. Hyundai Motor India Limited are subject to the applicable provisions of the Companies Act 2013, ("the Act"), as amended from time to time and the Articles of Association of the Company.

The major terms and conditions of appointment of the Independent Directors are as under:

### **1. Term of Appointment**

In accordance with the provisions of the Companies Act, 2013, the **Independent Director (ID)** will serve on the Board for a period of <Number of years> from the date of their respective appointment. The IDs are not liable to retire by rotation. Re-appointment at the end of their tenure shall be considered by the Board of Directors ("the Board") based on the recommendation of the Nomination and Remuneration Committee and the performance evaluation process, provided the respective ID continues to meet the independence criteria.

### **2. Membership of Committees**

As advised by the Board, during the tenure of their office, ID may be required to serve on the following Committees of the Board as a Member.

- a. Audit Committee;
- b. Nomination and Remuneration Committee; and
- c. Corporate Social Responsibility Committee.

### **3. Remuneration**

The IDs will be paid the following remuneration by way of Sitting Fees for Meetings of the Board and its Committees:

- (i) Sitting Fees of **Rs. 50,000/-** (Rupees Fifty Thousand only) for every Board Meeting;
- (ii) Sitting Fees of **Rs. 25,000/-** (Rupees Twenty Five Thousand only) for every Committee Meeting of the Board;

In addition to the remuneration described above, the Company will for the period of appointment, reimburse any out of pocket expenses / incidental charges incurred by them to attend the meetings as Independent Director of the Company.

Travel and Hotel accommodation will be provided by the Company for attending the Meeting.

#### **4. Commitment**

IDs 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 generally meets every quarter. The Audit Committee generally meets at least two times in a year. Besides, there are other Committees of the Board such as the Nomination and Remuneration Committee and the Corporate Social Responsibility Committee, which meet as and when required. IDs are expected to attend the meetings of the Board and the Board Committees to which they are appointed, and also shareholders' meetings and to devote appropriate time to discharge their duties effectively. Generally, all the meetings will be held at the Registered Office of the Company situated at Plot No.: H-1, SIPCOT Industrial Park, Irrungattukottai, Sriperumbudur Taluk, Kancheepuram Dist. – 602117.

#### **5. Roles and Duties**

The roles and duties of the ID will be those normally required of an Independent Director under the Companies Act, 2013 and the relevant Rules made thereunder.

There are certain duties prescribed for all Directors under section 166 of the Companies Act 2013, which are fiduciary in nature, and are as under:

- Directors shall act in accordance with the Company's Articles of Association, as may be amended from time to time;
- Directors 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;
- Directors shall discharge their duties with due and reasonable care, skill and diligence;
- Directors shall not involve themselves 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;
- Directors shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners or associates;
- Directors shall not assign their office as Director and any assignments so made shall be void;

IDs shall also abide by the 'Code of Independent Directors' as outlined in Schedule IV to the Companies Act, 2013.



## **6. Compliances**

At the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect their status as an Independent Director, IDs shall give a declaration to the effect confirming that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013.

## **7. Disclosure of Interest**

IDs shall disclose material interest in any transaction or arrangement that the Company has entered into. Such interest shall be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record their interest appropriately. A general notice that the Director is interested in any contracts with a particular person, firm or company is acceptable.

## **8. Meeting of Independent Director**

IDs shall hold at least one separate meeting (without the non-independent directors and members of management) in a year to review the performance of non-independent directors and the Board as a whole, and also assess the quality, quantity and timeliness of flow of information between the company management and the Board.

## **9. Confidentiality**

All company information acquired by the ID during their term as ID of the Company has to be treated as confidential and should not be released, either during the tenure or following termination (by whatever means) to third parties without prior clearance from the Company unless such disclosure is required by any governmental, statutory and regulatory authority established under the laws for the time being in force.

## **10. Shareholders Approval**

The continuation of ID's appointment is contingent on getting re-elected by the Shareholders in accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, from time to time in force.

## **11. Termination**

The ID may resign from the Directorship of the Company 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 them in the notice, whichever is later.