

Dheeraj G. Hinduja
Chairman

May 24, 2019

Dear Andi,

Re-appointment as an Independent Director of Ashok Leyland Limited

On behalf of the Board of Directors ("Board") of Ashok Leyland Limited ("the Company"), I take immense pleasure in confirming your re-appointment as an Independent Director of the Company subject to the approval of the shareholders at the ensuing Annual General Meeting (AGM) and in terms of the applicable provisions of the Companies Act, 2013, ("the Act"), Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and as approved, by the Board at their meeting held on May 24, 2019.

Your appointment and other terms and conditions are subject to Company's policy, Articles of Association of the Company, the relevant and applicable provisions of the Act read with Schedule IV of the Act and Rules, SEBI Listing Regulations as in force.

TERMS AND CONDITIONS:

(1) APPOINTMENT:

- a) Your re-appointment as an Independent Director on the Board was recommended at the Board Meeting held on May 24, 2019. Your re-appointment as an Independent Director for the second term of five consecutive years will take effect from July 26, 2019 till July 25, 2024, subject to the approval of the shareholders at the ensuing AGM. As an Independent Director you will not be liable to retire by rotation.
- b) You will strictly abide by the Code for Independent Directors detailed in Schedule IV of the Act and SEBI Listing Regulations, as amended from time to time. The Schedule IV and SEBI Listing Regulation, as currently in vogue is enclosed as **Annexure A** to this letter.



- c) The Board, in order to derive benefit out of your rich and varied experience, may request and nominate you to serve on one or more Committees of the Board during your tenure as an Independent Director, subject to the limits that has been prescribed under the Act/Regulations as relevant at the time of nomination.
- d) The Board expects you to dedicate sufficient time and attention towards the business affairs of the Company and participate actively/constructively in:
- Meetings of the Board;
 - Committee(s) in which you are a member or Chairperson;
 - General meetings of the Company; and
 - Meeting of the Independent Directors.
- e) By accepting the appointment, you confirm that you will be in a position to allocate sufficient time to meet the expectations of your role as an Independent Director.

(2) ROLE:

- a) In addition to the role specified under Schedule IV of the Act, you are expected to bring an independent judgment to the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- b) You are further expected to provide an objective view in the evaluation of performance of Board and Management and further scrutinize the performance of Management in meeting agreed goals and objectives.

(3) DUTIES:

- a) You will adhere to the below mentioned duties as specified under Section 166 of the Act in addition to the duties mandated under Schedule IV of the Act:
- (i) Subject to the provisions of this Act, you shall act in accordance with the Articles of Association of the Company.
- (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 interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- (iii) You shall exercise your duties with due and reasonable care, skill and diligence and shall exercise independent judgment.



- (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. In case, if you have any interest in business other than the Company, you are required to declare such directorship and interests to the Board in writing within the prescribed time.
 - (v) You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners, or associates and if found guilty of making any undue gain, you shall be liable to pay an amount equal to that gain to the Company.
 - (vi) You shall not assign your office and any assignment so made shall be void.
- b) In addition to the above, you shall abide by the Code of Conduct devised by the Company for the Board and Senior Management.

(4) LIABILITIES:

- a) As an Independent Director of the Company you shall have the same responsibility as any other Director on the Board. However, you shall be held liable, in respect of such acts of omission or commission of the Company which had occurred with your knowledge, attributable through Board processes, and with your consent or connivance or where you had not acted diligently.

(5) FEES/COMMISSION/REIMBURSEMENT OF EXPENSES:

- a) Subject to the provisions of the Act and Articles of Association of the Company, you will be paid a Sitting fee of Rs.1,00,000/- for attending every meeting of the Board as a Director. Further you will also be paid sitting fee (as fixed/modified by the Board from time to time) for attending every meeting of the Committee(s) of the Board, in which you are nominated as a member. The Sitting fees payable shall be amended by the Board from time to time, as it may deem appropriate, subject to the overall ceiling as prescribed in the Act/Rules as applicable at the time of amendment.
- b) You shall be paid travelling and other out of pocket expenses incurred in attending and returning from meetings of the Board or of any Committee thereof or General Meetings or in connection with the business of the Company. You are required to submit details of expenses together with appropriate receipts so incurred to the Company Secretary.
- c) In addition to the above, you shall be paid Commission, subject to your performance been reviewed by Nomination & Remuneration Committee (NRC) and recommended/cleared by the Board subject to the approval of the shareholders as may be required, provided it is within the overall limits as specified in Section 197 of the Act and its related and applicable rules as in force from time to time.

**ASHOK LEYLAND LIMITED**

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CIN : L34101TN1948PLC000105;



- d) You shall not be entitled to Stock Options that may be issued by the Company in future. However, if the law permits for issuance to Independent Directors then the same will be considered by the NRC and Board for issuance, subject to meeting the required parameters.
- e) During your tenure of appointment as an Independent Director, the Company may seek your professional advice/service if required on certain issues whenever appropriate, at the Company's expense. However, you are requested to confirm that your firm's income does not exceed 10% of the gross turnover of the firm in any financial year.

(6) INSURANCE:

The Company has in place a Directors' and Officers' (D&O) liability insurance cover for an amount of Rs.300 crores as on date.

(7) OTHER COMPLIANCES:

- a) During your tenure as an Independent Director you will comply with all applicable and related provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory or other modification or re-enactment thereof) and any other applicable law or regulation in force.
- b) You are requested to maintain the limits of Directorship/Committee membership/and Chairmanship as required under Section 165 of the Act, read with the applicable rules made thereunder and as per SEBI Listing Regulations. Further you shall inform the Company about appointment/cessation of Directorship/Committee membership in the requisite format, as provided in **Annexure - B**.
- c) At the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect your status as an Independent Director, you are required to give a declaration to that effect confirming that you meet the criteria of Independence (as required under Section 149(6)/149(7) of the Act).
- d) You are requested to furnish disclosure of interest to the Company as required under Section 184 and 164 (2) of the Act as well as avoid any conflicts.
- e) You shall be required to attend the meeting(s) of Independent Directors and discuss the agenda as provided in Schedule IV of the Act.
- f) During your tenure with the Company, in case you get disqualified as provided in Section 164 (1) of the Act, you are requested to immediately intimate the Company.

- g) You are also requested to ensure that the conditions as prescribed under Section 167 of the Act are not attracted resulting in vacation of your office.

(8) SKILL DEVELOPMENT:

- a) On an ongoing basis, the Company will make arrangements for you to develop and refresh your skills and knowledge on all the business-related matters, risk assessment and minimization procedures and proposed new initiatives. You will also be updated on changes in the domestic/global corporate and industry scenario including those pertaining to statutes/all legislations and economic development. Through familiarisation programmes, the directors will be updated on the business environment of the Company.

(9) CONFIDENTIALITY:

- a) You acknowledge that all information acquired during your appointment is confidential to the Company and should not be released, communicated, nor disclosed either during your appointment or following termination (by whatever means), to third parties without prior clearance from the Board of the Company.
- b) Your attention is drawn to the requirements under the law, applicable regulations and the Company policy towards disclosure of price sensitive information. You shall abide by the Code of Insider Trading devised by the Company and strictly avoid making any statements that might risk a breach of these requirements without the prior clearance from Company Secretary.
- c) Upon termination of your appointment with the Company (for whatever cause), you shall deliver to the Company all documents, records, papers or other Company property which may be in your possession or under your control, and which relate in any way to the business affairs of the Company, and you shall not retain any copies thereof.

(10) REVIEW PROCESS:

- a) Your performance as an Independent Director will be evaluated by the Board as per the evaluation criteria laid down by NRC.





Aapki Jeet. Hamari Jeet.

(11) PUBLICATION OF LETTER OF APPOINTMENT:

- a) This Letter and any non-contractual obligations arising out of or in connection with this Letter are governed by, and shall be construed in accordance with, the laws of India.
- b) In terms of Schedule IV of the Act and subject to the approval of shareholders at the ensuing AGM, your letter of appointment will be hosted on the Company's website; www.ashokleyland.com and the same shall be open for inspection at the Registered Office of the Company by any member during normal business hours.

Please confirm your agreement to the above terms and conditions by signing and returning to me the enclosed duplicate of this Letter.

With regards,

Yours sincerely,

Dheeraj G Hinduja
Chairman

Encl: a/a.

ACCEPTED : _____